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## World Outrage Over a 'Dangerous Folly'

# Clinton Urges Joint Action Now



Mr. Clinton, speaking at an Export-Import Bank conference on Thursday.

Compiled by Our Staff From Dispatches  
WASHINGTON — President Bill Clinton called Thursday for quick and decisive collective action after the Bosnian Serb parliament defied the world and rejected the United Nations-backed plan to end the war in Bosnia.  
"America has made its position clear and is ready to do its part," Mr. Clinton said, pressing harder for military action. "But Europe must be willing to act with us. We must go forward together."  
In a dawn vote that outraged international opinion and brought Western threats of tougher measures, the self-styled parliament ignored warnings of catastrophe from its leaders and by an overwhelming margin refused to support the plan.  
"Their actions threaten to widen the conflict and foster instability in other parts of Europe in ways that could be exceedingly damaging," Mr. Clinton said. "and their savage and cynical ethnic cleansing offends the world's conscience and our standards of behavior."  
But amid the signs that the peace process was in ruins, there was one positive sign: Serbia said it would cease sending aid but humanitarian supplies to the Bosnian Serbs because of their rejection of the plan.  
"Reasons no longer exist for further assis-

tance in money, fuel, raw materials," the Serbian government said in a statement carried by the Belgrade-based Tanjug press agency.  
The Bosnian Serb rejection of the peace plan was couched in a decision to put the plan to a referendum of the Bosnia Serb people on May 15 and 16. Condemnation from world leaders was swift and outspoken.  
Russia's foreign minister, Andrei V. Kozyrev, said the decision could result in "monstrous bloodshed" in the 13-month war.  
The European Community mediator, Lord Owen, who drew up the peace plan with the United Nations envoy, Cyrus R. Vance, called the vote a "dangerous folly" that pushed the world closer to military intervention.  
With new fighting reported to be raging around the besieged Muslim enclave of Zepa in eastern Bosnia and on several other fronts, Mr. Clinton is considering air strikes against the Bosnian Serbs and the lifting of an arms embargo against Bosnian Muslims.  
But in Bonn, London and Paris, there is still no agreement on how to stop the killings. And Russia is far from ready to take part in military retaliation against its traditional ally, according to sources and official statements in Moscow.  
"Any military action could drive the Serbs together again just at the moment when we have

got them on a really major division," Lord Owen said.  
U.S. officials made it clear that no military action was imminent. A Pentagon official said that no decisions had been made regarding bombing or sending in peacekeeping troops.  
"The likely units have been alerted, but we aren't anywhere near sending anything or anything," he said.  
Russia is far from ready to join military action against the Serbs. Christopher says rejection of the peace plan will bring military talks "into focus." The rebuff of the Vance-Owen plan puts Serbian unity in doubt.  
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But, significantly, the secretary of state did not say the allies had been swayed by Mr. Clinton's projected course of action. He said the United States and its allies still must "try to devise some more effective action."  
Mr. Clinton, looking grim, said in a speech in Washington that the parliament's decision threatened European stability and had set the Bosnian Serbs on a costly course.  
Mr. Clinton's remarks offered a glimpse of the case he will have to make to the American people to win their backing for the commitment of U.S. military force — either in the form of peacekeeping troops or air power.  
He set out a three-part rationale: that the Serbs' actions "violate the principle that internationally recognized borders must not be violated or altered by aggression from without," the basic rationale for American involvement in the Gulf War; that their behavior threatens instability elsewhere in Europe; and that the practice of "ethnic cleansing" — ridding areas of their Muslim population through killings or forcible displacement — offends the world's conscience.  
The Danish foreign minister, Niels Helveg Petersen, one of three EC ministers who met

## Belgrade Says It Will Cut Supplies to Bosnia

By David B. Ottaway  
Washington Post Service  
BELGRADE — The Serbian government, in a major reversal of policy with far-reaching implications, announced Thursday night that it was cutting off all supplies other than food and medicine to Bosnian Serbs following their refusal to endorse the United Nations peace plan for Bosnia.  
"Reason no longer exists for further assistance in money, fuel and other materials," the government said in a statement.  
The announcement came after President Slobodan Milosevic of Serbia condemned as an "irresponsible decision" the Bosnian Serb

assembly's failure early Thursday to approve the UN peace plan for Bosnia and its decision instead to hold a referendum in Serb-held territories May 15 and 16 to decide its fate.  
The assembly's decision was a stinging personal rebuke to Mr. Milosevic, who has overseen his authority so boldly challenged in his six years in power and is under international pressure to act decisively to bring an end to the Bosnian civil war.  
The closing of the Serbian border to Bosnia amounts to the economic strangulation of the Bosnian Serbs' self-declared "republic" if it is enforced as announced. Without fuel and financial support, there is no way the 1.5 million

Serbs living on the 70 percent of Bosnia presently under their control could continue to go it alone for very long.  
Less clear is whether the "other materials" mentioned in the statement includes the heavy weapons, arms and ammunition that have made it possible for Bosnian Serb forces to conquer so much land and carry out a policy of the mass expulsion, or "ethnic cleansing," of Muslim and Croatian populations.  
The Bosnian Serbs reportedly already had vast stocks of arms and ammunition stockpiled in underground mountain depots, thanks to

Safe Areas in Bosnia  
UNITED NATIONS, New York — The Security Council declared Thursday that Sarajevo and other besieged Muslim enclaves in Bosnia-Herzegovina should be regarded as UN-monitored safe areas.  
It called for Bosnian Serb forces to pull back and allow full access of aid groups. It also referred to Tuzla, Zepa, Gorazde and Bihać and Srebrenica.  
See SUPPLIES, Page 5

## U.S. Aides Assert China Is Breaching Missile Pact

Trade Status May Be Threatened  
By Douglas Jehl  
New York Times Service  
WASHINGTON — United States intelligence agencies have accumulated compelling evidence in the last four months that China has shipped missile parts to Pakistan in violation of its pledge not to export such technology, government officials say.  
The classified reports, which are consistent with the official U.S. position, are being reviewed by the State Department and the Defense Department.  
The reports, which have been reviewed by a within Congress, could lead to an American decision, not to renew China's preferential trade status.  
China's trade status, which comes up for renewal this year, has been repeatedly challenged by critics of Beijing's record on human rights and arms proliferation. President Bill Clinton is said to be ambivalent on the issue, with some in the administration contending that it is important to maintain good relations with China.  
To maintain its trade benefits in the face of congressional criticism, Beijing promised the Bush administration in writing last year that it would honor an international treaty forbidding missile technology transfers. But the government officials said information obtained by intelligence agencies since the beginning of the year left little doubt that China was not living up to its assurance.  
In particular, they said satellite photographs and other sources had provided the most solid indications to date that China has shipped components to Pakistan that have made it possible for technicians there to

## What Allies Now Await Is a Firm American Lead

By Craig R. Whitney  
New York Times Service  
BONN — Despite their reluctance to agree with the United States about military steps to stop the killing in the Balkans, what the European allies would like to see from President Bill Clinton is firm leadership now that he has consulted with them.  
He should stop asking them their opinion of what he plans to do and start telling them what he plans to go ahead with, preferably with their support, more than one European diplomat has said in recent conversations.  
The NATO alliance needs strong leadership because, there is no European consensus on what to do to stop the mass killing of Muslims in Bosnia-Herzegovina, or on how to prevent Croats and Serbs from dividing the spoils between themselves.  
All that the European allies could tell Secretary of State Warren M. Christopher during the past few days of consultations with them was that whatever the next step was, it was a fateful one that should be weighed cautiously.  
He and the president knew that already. The next step is for Mr. Clinton to decide what he wants to do and ask the allies firmly to support

him. Most of them will, as they supported President George Bush during the war in the Gulf two years ago, because they see that even after the Cold War, the United States is vitally important to the security of Europe.  
During the consultations this week, the Europeans raised strong objections to Mr. Clinton's plan to lift the arms embargo to allow the

## Bosnian Serbs' Isolation Alters Military Options

By Joseph Fitchett  
International Herald Tribune  
PARIS — The scenarios for international military intervention in Bosnia have narrowed — and possibly improved — as a result of the Bosnian Serbs' rejection of the United Nations-backed peace plan, according to Western officials.  
A painful truth, several of them said Thursday, is that the months of warfare in Bosnia, involving so much suffering, may have been necessary to finally make European governments rethink their hesitations about forceful action.  
In addition, the victories of Serbian forces have changed Bosnia's leopard-spot ethnic map of Muslim, Serb and Croat communities and left a Muslim-run rump Bosnian state that may be easier to defend, according to U.S. and European government strategists.  
One military option for the West would be establishing safe enclaves for Bosnians; that appeals to European governments because it involves limited force and lends into the humanitarian efforts that they have been pursuing. It also overlaps the large-scale peacekeep-

ing operation that NATO has been planning to implement the UN-backed peace plan — an approach to halting the hostilities that may have been aborted as a result of the hard-line stance of the self-styled Bosnian Serbian parliament.  
In contrast, U.S. planning for forcibly stopping the Serbian conquest continues to focus primarily on stronger forms of intervention: air strikes and supplies of arms to enable Bosnian government forces to match the firepower inherited by the local Serbs from the regular army of the former Yugoslavia.  
These options may start fitting together into simpler, cheaper initial action, Western planners said, now that Slobodan Milosevic, head of the Serbian government and architect of plans for a Greater Serbia, apparently feels compelled to distance himself from his allies fighting in neighboring Bosnia.  
"It means that we are not going to bomb Serbia, but we were not going to take the battle there anyway at this stage," a U.S. official said. But the new political isolation of the Bosnian Serbs will provide a prime target for Western  
See OPTIONS, Page 5

## Kohl Aide From East Quits Amid Scandal

By Marc Fisher  
Washington Post Service  
BERLIN — The most prominent East German to Chancellor Helmut Kohl's government, Transportation Minister Gunter Krause, resigned Thursday after acknowledging that he had used public funds to move his family to a new house.  
Mr. Krause is the eighth minister to leave Germany's 20-member cabinet in the last 13 months.  
A wave of scandals, most of them involving high officials peddling influence or abusing power for strikingly small amounts of money, has severely damaged public trust in both Mr. Kohl's government and its opposition.  
Byron Engholm, leader of the opposition Social Democrats, who had been expected to be Mr. Kohl's opponent in national elections next

year, quit politics Monday after acknowledging that he had lied about his knowledge of a 1987 dirty-tricks campaign against him.  
Mr. Krause, who represented East Germany in 1990 reunification talks with West Germany, was the most prominent of the three East Germans in the Kohl cabinet. He will be replaced by a West German, Research Minister Matthias Wissmann, who in turn will be succeeded by Paul Kreuger, a virtually unknown member of parliament from Eastern Germany.  
Mr. Kohl, who had stuck by Mr. Krause through several scandals, summoned the minister to his office on Thursday morning and asked for his resignation, government officials said.  
Mr. Krause's tenure was riddled with reports about his questionable ethics. He was accused



FAREWELL — Hema Premadasa, widow of the slain Sri Lankan president, at the coffin before his cremation Thursday. Page 2.

## Among Afrikaners, a Fear That Binds They Unite to Demand a Homeland and Resist Black Rule

By Bill Keller  
New York Times Service  
JOHANNESBURG — Under the leadership of four retired generals, almost all of South Africa's white separatist political parties, labor unions, farm organizations and paramilitary groups have coalesced for a last-ditch resistance to black rule.  
Leaders of the group, which unveils itself Friday as the Afrikaner People's Front, demand that an Afrikaner homeland be carved from the northeastern province of Transvaal as an independent refuge for South Africans who share their language and conservative values.  
Major General Tienie Groenewald, a former chief of military intelligence and rightist organizer, said the alliance would pursue its goals peacefully at first by demanding concessions at talks where the government is negotiating a new political order with opposition parties. But if that fails, he predicts a campaign that could escalate from civil disobedience to crippling strikes to secession and armed resistance.  
Past attempts to unite and mobilize the fractious white nationalists in South Africa have generally foundered over ideological differences, personality clashes and what some Afrikaners describe as the ornery individualism of their culture.  
Moreover, while many Afrikaners are devoted to the dream of an

independent Afrikaner homeland, it is not clear whether many Afrikaners would be willing to move there, let alone fight for it.  
But in interviews this week, a number of Afrikaners insisted that because of growing violence against whites and fears of an impending takeover by the African National Congress, this time will be different.  
What sets this effort apart, they said, is the new prominence of the retired generals, especially General Constand Viljoen, the chief of the South African Defense Force from 1980 to 1985, who is revered by many whites for his swashbuckling leadership of front-line troops against Cuban soldiers in Angola.  
General Viljoen, who had previously resisted efforts to enlist him in rightist politics, said in a telephone interview Wednesday from his farm in the northeastern Transvaal that he had decided to join the front because it was clear that President Frederik W. de Klerk was on the verge of handing over South Africa to people whom the general regards as Marxists.  
"I feel personally the climate for violence, the climate for revolution, is running so high at the moment I don't think one can even talk about negotiations, let alone elections," he said.  
General Viljoen, however, declined to endorse General Groenewald's threats of armed resistance or secession, saying  
See WHITES, Page 2

## Bonn Asks Curb of Neo-Nazi Rights

BONN (Reuters) — Interior Minister Rudolf Sauters said Thursday the government would ask the highest court to strip two neo-Nazi leaders of their civil rights, saying the move was a rare step to halt the fomenting of violence against foreigners, Jews and democracy.  
He identified them as Heinz Reiser, of the Western state of Hesse, a "vocal anti-Semite who also called for foreigners to be hunted," and Thomas Dienel, who has stood trial in the East on charges that include advocating the murder of foreigners. The court will be asked to bar them from speaking publicly on politics, circulating their opinions in the media and joining or founding political organizations.

Dow Jones  
Down 7.20  
3,441.80

Trib Index  
Down 0.12%  
101.08

The Dollar  
New York, Thurs. close previous close  
DM 1.5735 1.5735  
Pound 1.581 1.586  
Yen 110.07 110.35  
FF 5.305 5.324

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Business/Finance  
The French economy is weaker than earlier thought. Page 11.  
Bridge  
Page 8.

The attention men it comes at food is a automobile for ng to eat, in

# Change Is an 'Absolute Priority,' Italian Leader Vows

By Alan Cowell  
New York Times Service

ROME — Italy took a further halting step toward breaking with a discredited past on Thursday, when Prime Minister Carlo Azeglio Ciampi went before Parliament to pledge his fledgling administration to rapid political change as an "absolute priority."

Major opposition groups — notably former Communists and the insurgent Northern League — said they would abstain from the confidence vote, meaning that Mr. Ciampi may be able to brush aside the threatened Socialist revolt to secure enough parliamentary support to continue in office.

In response, Italians voted overwhelmingly on April 18 and 19 in favor of the introduction of a majority voting system in three-quarters of the Senate. Mr. Ciampi said he would seek similar changes for the lower house.

Specifically, the new prime minister — the first nonpolitician ever to hold the job — told Parliament that his government would seek to change the electoral system for both the upper and lower houses of Parliament, ending the time-honored proportional representation, which has permitted the flourishing of myriad small parties and the creation of endless coalitions that acted as a cover for corruption.

# WORLD BRIEFS

## Gunmen Attack Israeli Police Official

JERUSALEM (AP) — Two gunmen wounded a senior Israeli police officer before dawn Thursday, and news reports said that the police suspected the attack had been carried out by Arabs.

## Ex-Spy Can Move Freely in Germany

DUSSELDORF (Reuters) — A court on Thursday removed strict limits on the freedom of movement of Markus Wolf, the former East German spy master who is on trial for Cold War espionage against Bonn.

## Mystery Disease Hits 10,000 Cubans

HAVANA (AP) — A mystery disease that usually begins with a partial loss of eyesight has struck more than 10,000 Cubans in recent months, baffling the country's medical establishment and causing alarm among many Cubans.

## Human-Rights Abuses Cited in Haiti

PORT-AU-PRINCE, Haiti (Reuters) — International human-rights monitors in Haiti say that they have found "numerous and grave" rights violations and that the military is interfering with efforts to monitor and halt abuses.

## Slain Sri Lanka Leader Is Cremated

COLOMBO (Reuters) — The Sri Lankan president, Ramesinghe Premadasa, killed Saturday by a suicide bomber, was cremated at Colombo's Independence Square on Thursday night before foreign dignitaries and thousands of mourners.

## TRAVEL UPDATE

### Rail Ticket in Japan? Ask the Machine

TOKYO (AP) — Starting next year, travelers on one of Japan's main railroads will be able to state their destination to voice-recognition ticketers and receive instructions in English or Japanese.

### Dragon Airlines of Hong Kong Said Thursday It Had Decided to Postpone the Start of its Planned Twice-Weekly Air Service Between Hong Kong and Phnom Penh because of the unrest in Cambodia.

### Egypt's earnings from tourism fell more than 50 percent in the first four months of this year because of Muslim militants' attacks on foreigners, Tourism Minister Foad Sultan said. Tourism earned Egypt about \$3 billion last year.

## ARMS: Breach of Missile Pact?

(Continued from page 1)  
ation of the Missile Technology Control Regime. But other officials said they had found the reports persuasive and said they would be difficult for the Clinton administration to overlook.

A government official who said he had previously been unconvicted that China had violated its promises asserted that the new evidence was "as solid as can be."

## Maria Tolstoy, Russian Scholar, Dies

She taught Russian at Cornell, Columbia and Indiana universities, at Hunter College. She retired from Hunter in 1980 but continued tutoring students the rest of her life.

She was active in American politics as a Republican but also supported Governor Mario M. Cuomo of New York, a Democrat, and was state co-chairman of Republican for Cuomo.

Dr. Michael Edward Stanley, 49, a Columbia University neuroscientist known nationally for his research on the biochemistry of suicide, Monday at his home in Short Hills, New Jersey, died of a heart attack.

# New Yeltsin Snub Has Japan Fuming

## Islands Dispute Scuttles Visit

By David E. Sanger  
New York Times Service

TOKYO — Japanese officials reacted with barely veiled anger and exasperation on Thursday to the news that President Boris N. Yeltsin had abruptly canceled a visit to Tokyo for the second time in eight months.

As was the case with Mr. Yeltsin's last cancellation, Japanese officials first heard about it over television rather than through diplomatic channels. And although both countries tried to lay the blame on scheduling problems, officials here made it clear that the trip had been scuttled largely after it became clear that no progress would be made toward resolving the dispute over the fate of the four Kuril Islands.

Japanese counterpart, it quickly became clear that the two sides had very different expectations.

In public, Foreign Minister Katsuhiko Muto tried to put the best light on the decision Thursday, saying that Moscow and Tokyo had never formally set a date for the meeting.

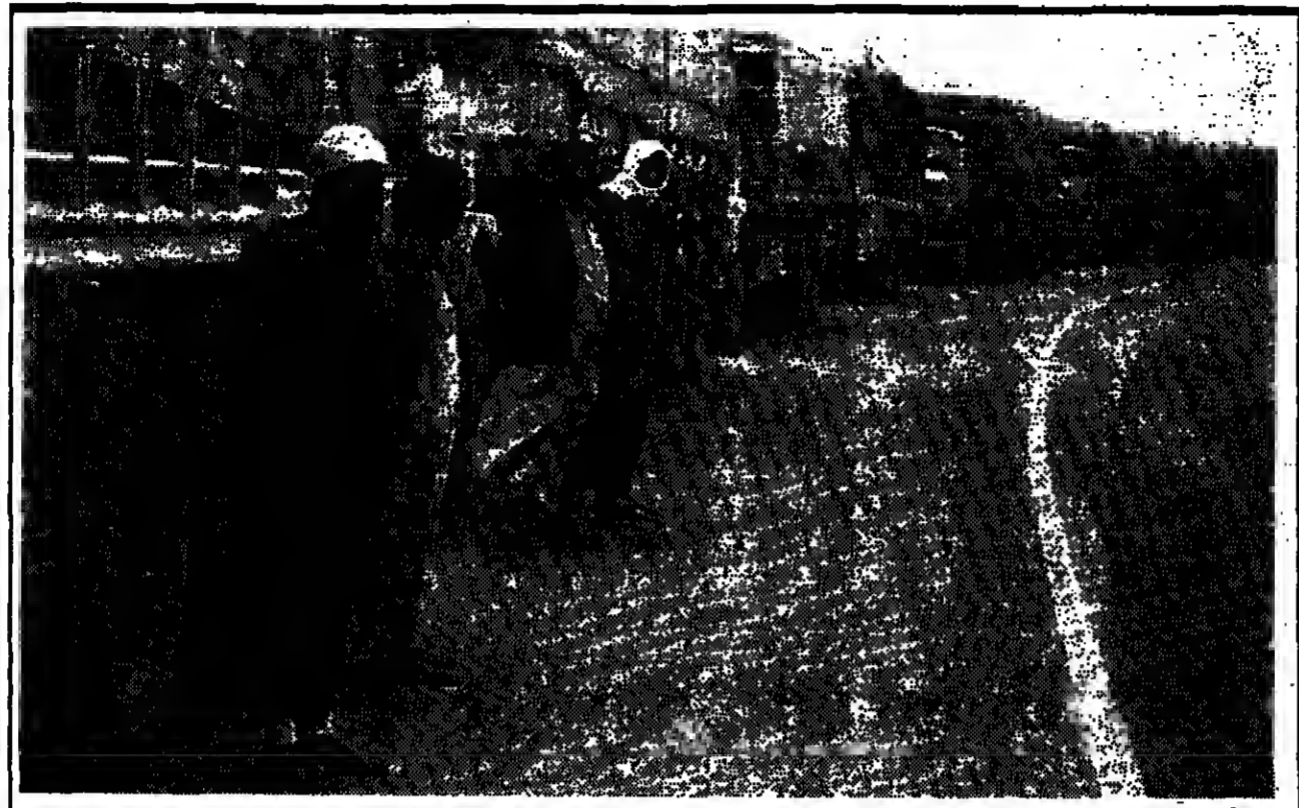
But behind the face-saving maneuvers, Japan's Russia policy is in considerable disarray. Under pressure from the West to give more aid, Tokyo appears to have lost much of its leverage on the islands issue. Its only carrot now is the promise of "massive aid," presumably cash.

Mr. Yeltsin is still expected to attend the annual meeting of leaders of the Group of Seven industrialized nations in Tokyo this July. But Japanese officials also said they hoped to reschedule a separate state visit for October.

At a hastily called news conference, Mr. Kuznetsov, the deputy foreign minister, said that press reports, especially in Japan, had overly "dramatized" the situation and that Mr. Yeltsin still intended to make the trip but that preparations could not be made quickly enough to have it occur in May.

Mr. Kuznetsov said it was not absolutely ruled out that the visit could happen this month, but the thrust of his remarks was that it would probably happen next autumn, in either September or October.

Mr. Kuznetsov also acknowledged that Russia's domestic problems, with forces opposed to Mr. Yeltsin taking to the streets, were distracting the government.



BACKED UP — Iraqi truck drivers waiting to enter Iraq at Ruweisid on the Jordanian border Thursday. Iraq has closed its frontiers until Sunday in an attempt to curb currency smuggling that has contributed to the loss of value of the dinar in recent weeks.

# Yeltsin, on TV, Denounces Adversaries

By Serge Schmemmann  
New York Times Service

MOSCOW — President Boris N. Yeltsin went on national television Thursday to claim victory in the April 25 referendum and to condemn the "irreconcilable opposition" for the clash with the police on May Day.

Mr. Yeltsin announced no new actions or staff reshuffles. The president's taped 20-minute address was delivered in a stern and decisive tone. But the absence of concrete measures 11 days after the referendum — and the delay of five days in reacting to the May Day clashes — contributed to a growing frustration among Mr. Yeltsin's supporters, who had hoped to see a spurt of activity after the referendum.

campaign against the president before the referendum. Mr. Yeltsin said, "As a major political defeat for the legislative organs of Russia," he said, adding, "The neobolsheviks are ready to make the people its victim, to send people into the abyss of violence and arbitrariness, only to seize power. This will not be."

The radical opposition, an alliance of hard-core Communists and nationalists, has threatened more demonstrations Sunday, a national holiday marking victory over Nazi Germany in World War II.

# Telltale Gene Opens Window on Most-Fatal Cancers

By Gina Kolata  
New York Times Service

NEW YORK — In findings that are expected to alter the direction of cancer research, scientists have discovered and can nearly pinpoint the location of a gene that causes several major cancers. The scientists have also learned if a new way that aberrant genes cause the disease.

About 65 percent of those who carry the gene will develop colon cancer, said a co-author of the new report, Dr. Albert de la Chapelle of the University of Helsinki. In a telephone interview, he added that these people constitute at least 13 percent of all colon cancer patients.

The gene was found to lie in a small area of chromosome 2, one of the 23 pairs of chromosomes that contain the hereditary information in humans.

Dr. Bernard Levine, chairman of the Department of Gastrointestinal Oncology and Digestive Diseases at the University of Texas M.D. Anderson Cancer Center in Houston, said: "It's phenomenally exciting. It implies a new mechanism of cancer, a new class of genes."

## DEATH NOTICE

Mrs. Alexander (Ray) Schaffer — who co-founded the New York branch of A La Vieille Russie — will be buried... The service will be held at Temple Emanu-El, at 11:00 a.m. in New York.

Mrs. Schaffer, born 1911 here, opened the New York branch of the famed anti-jewelry and antique shop in 1941. A La Vieille Russie has grown to be considered the primary source of authentic Russian antiques and Fabergé objects in the world today.

she and her late husband indifferently their two sons — Paul and Peter — into the business and they now carry on the family tradition here. A grandson, Mark, has recently become associated with the shop, which anchors the corner at 5th Avenue and 59th Street and is a notable New York landmark itself.

## WHITES: A Last-Ditch Resistance in South Africa

(Continued from page 1)  
front has not yet agreed on tactics. "We have not even discussed that," he said. And where General Groenewald predicted that the South African Army would refuse to serve an African National Congress government, General Viljoen said he was convinced that the army would remain loyal.

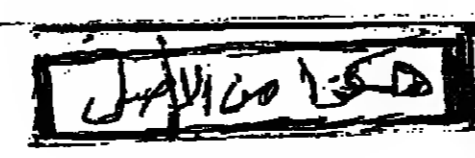
## ETHICS: Kohl Aide Quits

(Continued from page 1)  
government and the Christian Democratic Union. Mr. Kohl's party.

## White Farmers Threaten War Over ANC Chants

POTCHEFSTROOM, South Africa — Five thousand farmers threatened to go to war Thursday if any white farmers were killed as a result of inflammatory calls from South Africa's black liberation movements.

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العربية

# STATESIDE / WHAT? A NEED TO CHANGE ALREADY?

## A Staff-Level White House View: Clinton Is Part of Coordination Problem

By R. W. Apple Jr.  
New York Times Service

WASHINGTON — When President Bill Clinton confessed that the White House needed "lighter coordination" because it had lost clarity of purpose, he said he planned to fix things by reorganizing his staff. It may take more than that.

The president is part of the problem, many senior staff members believe, because of his native ebullience, the type of experience he brought to the job and the kinds of people he chose. He needs to learn to discipline himself, his associates say, as well as strengthening the structure built to serve him.

"A wise man told me when we started that the governors of small states tended to think Washington was an overgrown state capital," said a Clinton confidant. "He told me the president would find the lessons he learned in the Rock of real but quite limited use here, and he was absolutely right."

"You can't do it all at once. The media are in order. The Republicans are stronger. The bureaucracy is bigger and tougher. We have to change."

Mr. Clinton populated his White House staff with men and women of limited Washington experience. Observing this, former Vice President Walter F. Mondale urged Mr. Clinton to take on at least one or two ranking staff

members with White House experience, but his advice was not heeded. So learning the ropes has taken more time than it might have.

### NEWS ANALYSIS

By contrast, the president, conscious of his own lack of experience in the area, chose experienced hands for the major foreign-policy and national-security roles, and many in Washington think he has done a better job in foreign affairs than on most domestic matters, contrary to the general expectation.

The linchpin of most White House operations since Dwight D. Eisenhower's has been

the chief of staff. Often, like Donald T. Regan and John H. Sununu in the Reagan and Bush administrations respectively, they have been sacrificed at moments of stress.

By all accounts, the role of Mr. Clinton's chief of staff, Thomas F. McLarty 3d, is less all-embracing than those of his most recent predecessors, and the president did not directly blame him for his troubles. Indeed, he got him some help on Thursday in the form of Roy Neel, a 47-year-old Washington veteran, for many years an aide to Vice President Al Gore. He will join Mark Gearan as a second deputy to Mr. McLarty.

White House officials sprang to the defense of Mr. McLarty and Mr. Gearan, describing them as overworked but highly competent. Still, a staff shake-up is hardly a vote of confidence.

In an effort to focus the president's message more sharply, George Stephanopoulos, the White House communications director, has been asked to step back from involvement in daily briefings and give more attention to over-

all media and political strategy. But it is not clear how this would work or, indeed, whether Mr. Stephanopoulos will agree to any change.

The cascade of policy proposals in recent weeks, which the president's strategists fear might make it harder to push through his economic program and health-care plan in the form he wishes, results partly from inexperience, several top officials concede.

In addition, Mr. Clinton has found it hard to concentrate on domestic objectives when foreign crises like those in Russia and Bosnia keep crowding in on the Oval Office.

But the problems also result from what another old friend terms Mr. Clinton's "impetuosity to get things done and his utter absorption in — no, his love affair with — all the details and the subtleties of domestic policy."

Mr. Clinton is proposing major new programs at a rate approaching that of Franklin D. Roosevelt and Lyndon B. Johnson at the beginning of their presidencies. But he has smaller majorities in the Capitol Hill and more tenuous support in the country than they did, and they

were helped by the sense of national trauma caused by the Depression and by the assassination of President John F. Kennedy.

Because of the effort to do so many things at once, a number of Mr. Clinton's proposals have had to be sharply modified, even before they reached the floor of the Senate or the House of Representatives. That was true of the immunization program and the plan to drop the ban on homosexuals in the armed forces, among other measures.

More significantly, the country has been bombarded with news articles about a \$10 billion program for this and an \$8 billion program for that, capped by a report this week that the health-care plan might cost \$100 to \$150 billion, at a time when deficit cuts remains a leading national preoccupation.

As a result of such reports, and the relentless efforts of Ross Perot to picture Mr. Clinton as a man with a low priority on cutting the deficit, the president is in danger of seeming to be not what he said he was in last year's campaign — a new kind of Democrat — but an unreconstructed high-tax liberal.

Recent polls show that more voters now see Mr. Clinton as an apostle of government spending than as a foe of big government, and some show a plurality arguing that the nation is on the wrong track.

Also worrying is the seeming ability of Mr. Perot to hold on indefinitely to most of the support he attracted last year — almost one voter in five, a group that the president badly needs if he is to assure his re-election in 1996.

Some of this was no doubt inevitable, and there are signs that hard lessons are being well learned.

Never again, senior officials say, will they make the mistake of describing the Republicans as "irrelevant," as some of them did when the Senate was debating the president's economic stimulus package. The slur, like the careless remark of rival players stirring up a football team, played a significant role in promoting enough Republican unity to enable them to sustain a filibuster and hand Mr. Clinton a major defeat.

## ★ POLITICAL NOTES ★

### Another Delay Likely on Health Care Reform

WASHINGTON — The White House may delay submitting its health care reform proposal to Congress until mid-June, as congressional leaders and President Bill Clinton's budget director have argued, officials said Thursday.

That would allow legislators time to vote on Mr. Clinton's deficit-reduction bill, including hundreds of billions of dollars in tax increases and spending cuts, without having to worry about the health package.

Hillary Rodham Clinton said that the task force on health care reform that she leads would still complete its work by the end of May, delivering recommendations to Mr. Clinton. But she indicated that Mr. Clinton then would take time to work on the recommendations, with the aim of maximizing support for the plan, before going public with it.

Mr. Clinton campaigned on a promise to send Congress legislation on health care in his first 100 days in office, which passed on April 30. Then a target date of May 5 was set, but that was pushed back until late May.

### Opponents of Energy Tax Crank Up the Heat

WASHINGTON — Manufacturers' and farmers' organizations have declared war on President Clinton's proposed energy tax, while at the same time opponents in the Congress say it will hurt industry and agriculture.

As the House Ways and Means Committee took up the energy tax, the National Association of Manufacturers and the American Farm Bureau announced that they had formed a coalition of more than 900 companies and associations that would fight to kill the tax. The coalition asserted that it would make American industry less able to compete in the world market and would seriously harm rural America.

"Everyone loses under this proposed BTU tax because it directly hurts the American economy as so many important jobs," said Jerry Jasnowski, president of the manufacturers' group. "This particular tax is a jobs killer."

The coalition's concerns were also voiced by members of the ways and means panel, the House's chief tax-writing committee, as Republicans said the energy tax would weaken American industry and farm-state Democrats voiced businesses' worries.

### Quote/Unquote

Representative Mike Symes, Democrat of Oklahoma and an advocate of campaign-finance legislation that would curb the soaring costs of running for office and the dominance of special interests in campaigns: "Perot is the proverbial 600-pound gorilla on this. It's the only thing that he really has going for him. I'm confident if we do a good job on this, Ross Perot is history." (NYT)



THE MOUTH THAT ROARED — Two Las Vegas visitors in front of a billboard promoting a resort scheduled to open next year.

### Away From Politics

- A postal worker, upset that a woman had been given a job he had applied for, shot three people, killing one, at a post office garage in suburban Detroit on Thursday, the police said. The gunman, identified as Larry Jason, 45, walked into the garage and opened fire with two guns, the police said.
- The space shuttle Columbia, carrying two German and five American astronauts, landed at Edwards Air Force Base in California after 10 days in space on a science mission chartered by Germany. Columbia had been diverted from landing in Florida by rain.
- Inmates who took over an exercise yard at South Dakota's maximum-security prison in Sioux Falls and set the auto body shop on fire began voluntarily to return to their cells, officials said. The rebellion, which began with a fight between a guard and a prisoner, involved about 200 inmates.
- A nightclub manager in San Diego apologized to those offended when dancers he sent out on two yachts took their clothes off to welcome sailors returning home from a six-month deployment. Gregory Ziadet, manager of a strip club, said he had not known sailors' families were aboard.
- Of the 20,000 patients treated by AIDS-infected health care providers, only 11 who tested positive for the disease had no activities that put them at risk. Three of the 11 were shown by gene sequencing to have acquired AIDS from the provider, the U.S. Centers for Disease Control in Atlanta said.

AP, Reuters, NYT, WP

## A Payroll Premium Weighed for Health Levy of Up to 7% Considered

By Robert Pear  
New York Times Service

WASHINGTON — Clinton administration officials say that they are seriously considering asking employers to pay a percentage of their payroll in premiums to help finance health care for all Americans. To raise more money, employees would have to pay a portion of their earnings.

Employers would pay the premium to a regional health insurance purchasing group, which would buy coverage for hundreds of thousands or millions of people.

The payroll premium would apply to all companies that take part in the purchasing pool, including many small businesses that do not now provide health benefits to their workers.

Most of the nation's biggest companies serve as their own health insurers, and the administration will probably let them continue to do so. But it hopes to lure them into the new purchasing pools.

White House officials have assured business executives that the premium would not exceed 7 percent of payroll. If that is the case, the money would cover only part of the cost. Businesses would pay the premium instead of what they now spend on health benefits for workers and retirees.

The administration has discussed many other sources of revenue as part of its plans to revamp the health care system, including a national sales tax and higher cigarette taxes. While the cigarette tax increase is likely, the sales tax idea has apparently been discarded as politically unacceptable.

Administration officials mentioned the payroll premium last week as one among many options. Now they say there is a strong possibility that it will be included in President Bill Clinton's proposal this spring.

The nation's total payroll is \$3.6 trillion this year. If all employers take part in the purchasing pools, a 7 percent premium or tax would raise more than \$250 billion a year. The employer contributions could raise an additional sum of \$40 billion to \$60 billion.

John F. Shells, a vice president of Lewis-VHL, a consulting concern that specializes in medical economics, estimated that public and private employers now spend \$200 billion a year for employee health care.

By contrast, Mr. Wellstone's measure would cover virtually anything of value that a lobbyist could give a senator, from watches to dinners, trips, help in fund-raising and tickets to sporting events.

The only exemptions are for such items as greeting cards, trinkets like letter-openers, and coffee and doughnuts of the sort commonly offered at breakfast sessions with lawmakers. Lobbyists also would not have to report gifts that were promptly returned.

## Reformer's Victory Will Give Public a Peek at Senate Perks

By Michael Wines  
New York Times Service

WASHINGTON — The Senate has succumbed to ethical bombardment by a Minnesota Democrat and voted to bare one of its most tightly held secrets: the size and worth of the gifts, free meals and other perks that are showered on its members by lobbyists.

If the action survives a series of votes that lie ahead, as appears likely, lobbyists will be required next year to publicly report any benefits exceeding \$20 — in cash, valuables, trips or anything else — that they give to senators or members of their staffs. Smaller gifts to a senator would still be disclosed if their total value exceeded \$50 from any source in one year.

The action guts the Senate's current gift rule, an ingeniously crafted clause that appears to force lawmakers to disclose the gifts on their own, but in fact allows them to keep secret any and all perquisites that they legally accept.

It was a startling and complete victory for the amendment's sponsor, Paul Wellstone, a first-term senator who said he had been greeted with fierce resistance from his Democratic colleagues.

Mr. Wellstone, by all accounts the Senate's most liberal member, campaigned as a reformer when he was elected in 1990.

"I feel like it's a real good contribution," he said. "I feel great."

The public affairs group Common Cause, which lobbied vigorously for the gift-disclosure rule, hailed Mr. Wellstone's victory. "The rule needed to be tightened, to put it mildly," said Ann McBride, the group's senior vice president.

The measure would apply to the vast majority of paid lobbyists, exempting only those who receive less than \$2,000 a year to lobby, and those who lobby only rarely, like on annual "week in Washington" trips to the capital.

identical bill in the House is also said to enjoy strong support.

Together, the bill and the gift-disclosure amendment would sharply increase both the number of lobbyists who would be required to report on their activities and the range of activities to be disclosed.

Estimates of the number of professional lobbyists range from 8,000 to 12,000. Mr. Levin's bill would require them to file reports twice each year disclosing the names of clients, the policies or laws that were lobbied and the total amount of money spent on each effort. Those who evaded the reporting law could be fined up to \$100,000.

Until Wednesday, Mr. Levin's bill had sidestepped the question of whether lobbyists should disclose their gifts to lawmakers and their staffs, reasoning that the Senate should regulate the gift-giving directly, rather than requiring lobbyists to report on it.

Senator Frank R. Lautenberg, Democrat of New Jersey, moved in that direction Tuesday, proposing legislation that would ban such gifts outright. But Mr. Wellstone signed Wednesday that his measure did not preclude enacting a ban later, and that the Senate needed to take a stand now on what he said was the "systemic corruption" of Congress by financial favors.

In fact, gifts of travel and contributions to charity, often made in payment for a senator's speech to a trade group or corporate meeting, must already be disclosed by the lawmakers themselves. But many other gifts have been kept secret for decades, even as waves of reforms forced other perquisites to the surface.

On its face, the current gift rule, adopted in 1946, appears to require a senator to report all financial benefits totaling more than \$250 received from anyone in a single year. But the Senate already prohibits members from accepting more than \$250 in gifts from any

## Clinton Hard to Please on Filling High Court Seat

By Ruth Marcus  
Washington Post Service

WASHINGTON — Nearly two months after Justice Byron R. White announced that he would retire this summer, President Bill Clinton is unsatisfied with the replacement candidates suggested so far by aides and has told them to continue the search.

"There's no leading contender at this point," a senior official said.

In a closely guarded search process, Mr. Clinton has reviewed what one source familiar with the search described as "dozens" of potential candidates since his top choice for the job, Governor Mario M. Cuomo of New York, said he did not want to be considered.

But Mr. Clinton, who will be the first Democratic president in 26 years to select a justice, has so far not been "bowled over" by any of the choices with which he has been presented. He has instructed his staff to continue the search, reminding them that after a difficult search process, who has eventually led him to Attorney General Janet Reno, who has become the most prominent member of his cabinet.

The White House counsel's office, an administration official said, "keeps putting names together and Clinton keeps saying, 'I'm not happy with any of them.' No one has struck him as a brilliant suggestion."

Massachusetts. He is well-regarded and liked by some conservatives on the Senate Judiciary Committee. Although he is seen as a moderate on the bench, Judge Breyer, who served on the U.S. Sentencing Commission, may be harmed by his association with Senator Edward M. Kennedy, Democrat of Massachusetts, for whom he served as chief counsel of the Judiciary Committee before being named to the bench by President Jimmy Carter in 1980.

Judge Ruth Bader Ginsburg of the U.S. Court of Appeals in Washington, A160, she is at the upper end of the age scale, and also caught in the complications of abortion and sexual politics. She antagonized some women's groups with a recent speech questioning the theoretical underpinnings of the 1973 Roe v. Wade abortion ruling and suggesting that sex discrimination be treated under a less-stringent legal standard than racial discrimination.

Richard S. Arnold of the U.S. Court of Appeals in Little Rock, Arkansas. Because of his ties to Mr. Clinton, he cannot be counted out. But his opinions on all-male clubs and abortion rights would cause him problems with women's groups.

Other federal judges who have been mentioned as possible candidates, including Judges Amalya Kearse, Stephanie Seymour, Patricia M. Wald and Mary Schroeder, all of the U.S. Court of Appeals, and Judge Barbara Rothstein of the U.S. District Court in Seattle, also do not seem to have generated much enthusiasm at the White House.

Among possible state supreme court nominees are Justice Shirley Abrahamson of Wisconsin, although some officials say she may be too liberal; Justice Jamie Shores of Alabama, and Justice Christine Durham of Utah.

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A Wary Eye on North Korean Uranium

Experts Fear 50 Tons of Reactor Fuel May Be Used for Arms

By David E. Sanger New York Times Service TOKYO — Experts monitoring North Korea say they are increasingly concerned that the country may be preparing to use 50 tons of uranium now fueling a large reactor as raw material for nuclear weapons.

Khmer Rouge Boycott Talks

By Nicholas D. Kristof New York Times Service BEIJING — The Khmer Rouge isolated themselves further on Thursday by boycotting talks here in which the other Cambodian factions agreed to press ahead with elections planned for this month.

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INTERNATIONAL Herald Tribune

No More Nuclear Tests

To curb the proliferation of nuclear arms it is important to stigmatize them... need for safer warheads. The air force has already adopted the best safety measure of all...

Behind the Trade Noise

Trade policy under the Clinton administration often seems to be going in two directions at once. On some days there is a lot of bawling, with sanctions against offending imports and abusive intervention on behalf of American industries...

Birth Control in China

Americans have long been of two minds about Communist China's efforts to control population growth: awed by the problem, appalled by some of the means. The knot is tied even tighter by the latest official figures issued by Beijing...

Other Comment

The Road to Mideast Peace: Negotiations between Palestinians and Israelis — this time with more direct American input — have entered a promising phase. For the first time, there will be concrete discussion on the status of the occupied territories...

Beyond Bosnia, Security for the Region

PARIS — At last, major governments have recognized that they have a direct interest and responsibility for peace in the Balkans. This is something new. Despite the notorious rhetoric, until now their policies were based on two vain, self-deceptive hopes...

Sacrifice? Do as Americans Say, Not as They Do

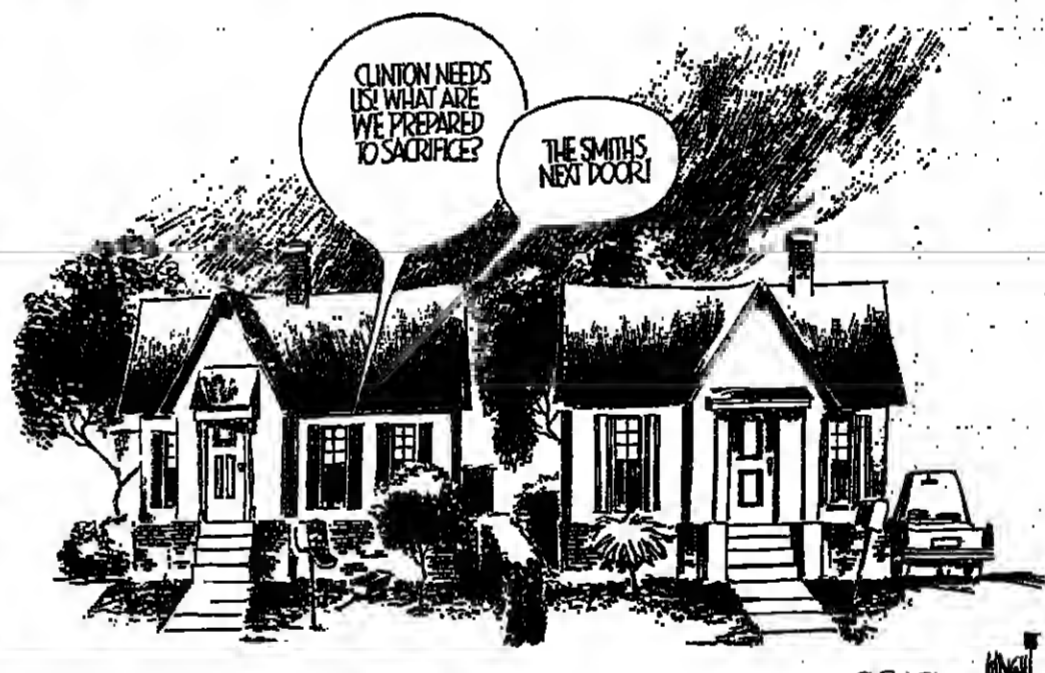
WASHINGTON — In his inaugural address, President Bill Clinton dared to utter the dreaded S-word — "sacrifice." Causing for cuts in the federal budget deficit as well as new investments in people and public works, he warned: "It will not be easy; it will require sacrifice."

Demographics Are Overtaking the Irish Problem

LONDON — Britain's Irish problem was given still another demonstration by the mighty IRA bombing in the City, Europe's most important financial center, on April 24. The size of that blast was a significant economic blow to Britain...

The Syrian Can Make It Happen

NEW YORK — There is an old Arab-Israeli adage: "If you seem to be getting better, just wait a while and they will almost always get worse. Yet in the current round of talks in Washington, Israelis and Palestinians are making progress for the first time..."



INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairmen LEE W. HUEBNER, Publisher JOHN VINCIGLIERI, Executive Editor...

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OPINION

Migrants on the Move to Rich Neighborhoods

By Jim Hoagland

PARIS — Dimitri the goat herder played his own small role in Europe's refugee drama a few weeks ago. When he discovered Albanian squatters camping in a vacant shack near his village of farmers and Greek Orthodox monks, he quickly chased the Albanians away without even consulting the shack's owner.

Even on his island he hears the rumbles from nearby wars in ex-Yugoslavia and the former Soviet Central Asian lands.

is on the move and is reshaping international politics and economics. Refugees, asylum seekers and migrants looking for work are rapidly becoming the driving force for many government decisions and policies in the unsettled post-Cold War order.

the more gradual migrations that create long-term economic and political imbalances. Foreign aid, trade concessions, investment strategies and even military intervention are becoming tools to achieve this goal.

The political impact of population movements has become clear. It was the flight of East Germans to the West that first pierced the Iron Curtain and undermined the external Soviet empire. American warplanes patrol Iraq today to prevent attacks that would drive waves of Kurdish refugees across Turkey's frontier again.

North America had to make "managing migration pressures" a key part of their "central economic, political and security objectives." Unfortunately, the Trilateral study found, these governments discourage broad public debate about their immigration policies.

Dimitri had one of this in mind when he came across the Albanian squatters. He severed my brief, tenuous personal connection to this vast social issue out of a sense of personal responsibility.

Out of friendship, Dimitri keeps an eye on the spartan shepherd's cottage I bought outside the village of Ano Mera in the mid-1970s, when I lived in Beirut and sought a nearby quiet place to escape periodically from Lebanon's escalating warfare.

I had last seen Dimitri, and the shack, five years ago. But during my recent brief visit, Dimitri wanted to talk only about two occurrences during the long hiatus: his younger daughter's wedding two years ago, and the Albanians.

Below and Above All Our Houses

By Robert Burruss

BALTIMORE — There is \$300 billion in gold under my house. Really. My house is on a lot that is 40 feet wide and 100 feet long — and a little over 4,000 miles deep. According to the law as I understand it, I own everything under my house all the way to the center of the earth.

That works out to one-fifth of a cubic mile of iron and nickel plus all the chemical elements up through uranium. Assuming, conservatively, that gold makes up one part in a

million would rise; the air would get hot.

We live within only a few hundred miles of unlimited amounts of materials and energy. The one is below, the other above. But do we really want access to either? Probably not. Not with the present attitudes toward the environment. Not with the idea abroad that Earth is out of equilibrium with its fauna — especially us humans.

But suppose the growth of human population cannot be slowed, stopped and eventually even reversed. Eventually it will of its own irrational accord reach its peak and stop. There is no brake, though, on the growth of knowledge, and it is our technical knowledge that is multiplying the effective biological presence of each human being.

Right now energy-consuming technology multiplies the effective presence of each person in the world by a factor of about 40.

That is the ratio of what might be called "cultural energy" (used in industry, transportation, heating and cooling) to personal dietary energy. In the United States, the ratio of "cultural energy" to dietary energy is about 100 to 1. In Europe it is about 70 to 1. In Japan, about 60 to 1. In parts of Africa and south Asia it is close to 1 to 1.

Even if pollution from industry could be stopped completely, the world average ratio of 40 to 1 of cultural energy to dietary energy means that 40 times the present world population would exhale enough carbon dioxide to equal that of all present industry.

It is hard to imagine that the world's population will ever reach 40 times its present value — that is, 200 billion. But who a hundred years ago would have thought that in only a century it would reach 5 billion?

Human knowledge will continue growing as long as there are enough people to support basic research of the sort that has so far been beneficial to our species. Human population, however, is limited, ultimately by living space and Earth's capacity to absorb the collective exhaled breath.

The surface of the planet is small. But its volume... Under my house is enough material to build an artificial planet that could hold the entire human race. As for energy, there is always the sun. It continues to radiate as much energy each second as humanity, at its present rate, could use in a million years.

Someday humanity will find ways to get access to all that wealth and energy. Someday...

The writer, an engineer, contributed this comment to The Baltimore Sun.

LETTERS TO THE EDITOR

It Doesn't Come Cheap

Regarding "Health Task Force Hits the Hard Part — Costs" (April 20) by Robert Pear with David E. Rosenbaum: The Clinton administration people who are now scratching their heads over how to pay for further health benefits for all Americans ought to consider France. The French social security system is fine in many ways. But it's in big financial trouble. And we are all paying, even visitors from overseas, indirectly.

The VAT (value-added tax, which goes to the national treasury, not necessarily for social security) is a whopping 18.6 percent on most goods and services. Also, 20 percent of salaries goes to the various health and retirement programs. The employer pays a much higher proportion, about 44 percent of each employee's salary. Presumably, everyone benefits. Like everybody else, I regularly get reimbursed for a large part of my doctor's bills.

residents, and tourists chipping in through hotel and restaurant taxes), the French social security program is still in hot water. Its deficit amounts to about 60 billion francs (\$11.2 billion).

According to some critics, the problem is not the program itself, but gross mismanagement — which can happen in complacent bureaucracies. President Clinton ought to be careful in hiring administrators for his programs.

France may be utopian in many ways, but nothing is free — the French and foreign residents pay through the nose to live here, in this kindly but big Brotherly state.

SUZANNE F. PATTERSON, Paris.

Punishing the People

Regarding "Two Pointless Embargoes" (Business Finance, April 23): Congratulations to Reginald Dale for his eminently sensible article on the pointlessness of the U.S. trade embargoes against Vietnam and Cuba. He might have added that the embargoes inflict an unjust collective punishment on the people of those countries by lowering their already meager standards of living.

HAROLD TITTMANN, Mberbes, France.

To Be Pitied, Not Censured

Regarding "Old Fox Eventually Make Up" (Opinion, April 16):

Is Leslie H. Grab pulling our leg when he asserts that James Kadar "held power in Budapest by pulling out fingernails"? The Budapest Hungarians pulled out were Mr. Kadar's own, by his Stalinist jailers sometime between 1951 and 1953.

EUGENE SELESKOVITZ, Houilles, France.

A Vote for Clinton

The economic stimulus package as proposed by President Bill Clinton could help create jobs for all of grass-roots America. This program includes money for unemployment insurance, summer jobs programs, highway construction, child immunization and community development block grants.

And the Republicans in the Senate have stonewalled this job-creating program as economically flawed. Can anyone believe that the Republicans understand economics? They gave America a deficit four times as big as the one they began with in 1980. They gave us Reagan-Bush trickle-down economics, in which wealth trickled up and poverty trickled down. They gave us a country in

which millions of children were not protected by vaccination or decently educated. They gave us the homeless, who, the president said, liked to be homeless.

It's time to give Bill Clinton a real chance to lead the United States to a fully employed, health-insured, safe and free future.

WILLIAM S. DOWNING, Ithaca, New York.

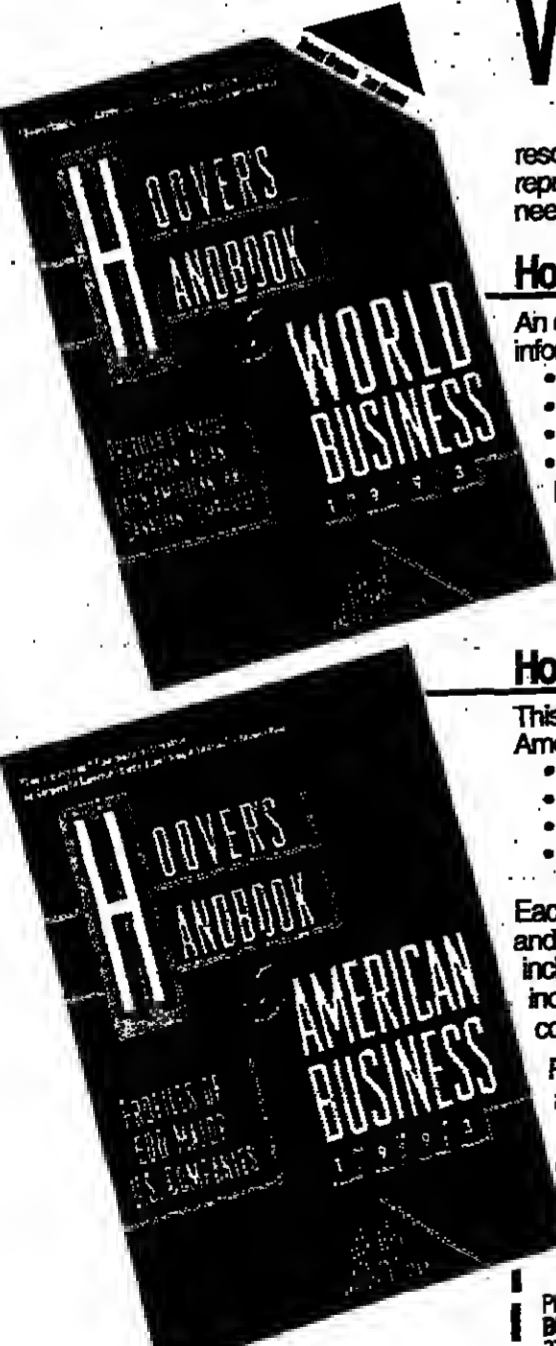
Clinton and the Military

Maybe the trouble with President Bill Clinton is that his lack of military experience makes him too respectful of the recommendations of General Colin Powell, that very model of a modern four-star general, whose own role model seems to be George McClellan, another fine soldier who liked everything about the army except fighting.

J. C. DIXON, Paris.

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## in Tokyo

front. It showed a maze of what looked like plumbing ducts, which Satoru began zapping with a control button while the car lumbered at the speed of a Tokyo traffic jam. It made no difference whether he hit a mark or not, the car circled on the same plodding track as all the others for three minutes and then it was over.

"I thought we'd been had, and was stewing over a refund for our 2,500-yen entry tickets to the center, when Satoru proclaimed Virtual Vehicle a hit. "In rides at Disneyland all you do is sit there," he pointed out, "but on this one you actually get to do something." He went off happily to try a traditional video game, killing commands with an Uz.

At another game center Satoru tried its hottest item, Virtua Racing. I said it looked like a typical car race video with an over-blown name, but Satoru corrected me. "The steering and braking are more real," he noted. Virtua Racing also features a button on the panel that switches the driver's perspective from the cockpit to one hovering overhead for an out-of-body experience.

**F**INALLY we went back to Shinjuku to try Virtual Theater, a cinema with seat belts. Before being shown inside, a pre-show video warned away "individuals suffering from sexual disorders and abnormalities" and introduced the plot: A runaway bride and her lover dash from the chapel with the groom's gangster family in hot pursuit. The customer is then led into the cinema proper, with a faint reek of vomit suggesting a truly good ride. Once strapped in, the video chase continues by sports car, boat and plane while the viewer is jerked, rocked and rumbled accordingly for a wild 15 minutes.

Virtual Theater, which screens daily for 1,200 yen (tel. 3209-7117), finally gave Satoru and I something to agree on. We both thought it was great.

David Tracey is a free-lance writer living in Kamakura, Japan.



## A Gastronomic Feast in Burgundy

By Christopher Petkanas

**S**AULIEU, France — In 1677 Madame de Sévigné, that most accomplished and energetic of letter-writers, noted how well one ate and drank in this Burgundy town 160 miles (100 miles) southeast of Paris on the old road, the N6, to the Côte d'Azur.

Through Monday, as Saulieu's fourth annual gastronomic fair brings together 60 vest-pocket artisanal producers of everything from buckwheat honey to the luscious wines of Vézelay, no one will argue that the marquis had had taste. Dubbed the Journées Gourmandes du Grand Morvan, the grass-roots event last year drew 10,000 home cooks, restaurateurs, other food industry professionals, as well as the idle curious in search of something new to give their palates a buzz.

Visitors are encouraged to graze from stand to stand, to sample Bernard Poisson's novel brochet flecked with crisp bits of pork, to addition Odile Pinçon du Sel's Episses, the cow's milk cheese hand-washed with the mare obtained by distilling the skins and stalks that remains after grapes are pressed for wine.

Visitors are of course also encouraged to fill their baskets with purchases and collect suppliers' names and addresses so that business continues throughout the year.

A granite massif reaching into four departments — the Côte d'Or, the Nièvre, the Saône et Loire, and the Yonne — the Morvan is in addition prized for its Charolais beef, salmon, trout, snails, and free-range poultry. "Industrially raised chicken fed on fish flour is gelatinous, throws off a lot of water and is killed at 48 to 50 days; ours is grain-fed, firm, makes a great sauce and is slaughtered at three and a half to four months," says Marie-Claude Prommer.

In Saulieu this weekend Prommer is exhibiting *coq au vin*, stewed guinea fowl, and jugged rabbit in cunning jars to go. At La Morvandelle, the farm she has run with her

husband Jean-Charles in Fontancy since 1978, barbery duck, capon, turkey, goose, butter, and pork nursed on the whey leftover from the *crème fraîche* and *fromage blanc* they also make are sold on Friday afternoons.

They also do business at the Saturday morning market in Saulieu and on weekends share their table and pedigree ingredients with the paying public. A 92-franc (about \$17.50) set menu includes chicken or chicken liver terrine, a main course composed of two or three kinds of fowl garnished with potato gratin, salad, cheese, and dessert, typically an apple or semolina tart.

**B**ERNARD Poisson is baking five different breads "live" in an electric oven at the fair as well as offering a sophisticated version of the spice cake made at home in the Morvan, especially in and around Dijon, before World War II. His recipe combines equal parts organic rye flour and local wildflower honey (white clover, bramble, centaury, cow parsnip) with cinnamon, nutmeg, vanilla, two sorts of anise, and candied orange and lemon peel.

Bernard Loiseau, whose La Côte d'Or in Saulieu is panned with three Michelin stars, serves the rich, powerfully fragrant loaf lays it aside for two days to allow the flavors to mature and develop. "Customers eating it fresh would be very disappointed," he says.

Daniel Blanc, the baker's source for honey and a founder of *Journées Gourmandes*, uses the fair to increase consumer awareness of his foodstuff and its properties.

"Honey is very misunderstood," says Blanc, whose hives cover a radius of 93 miles. "People are not aware of all the varieties, that each has its own taste and utilization. Unfortunately, for most people honey is honey. But there are rules that govern its use just as there are rules that govern drinking wine."

Creamy, fruity and spreadable, Blanc's spring honey, for which hives are placed among wild cherry trees and hawthorn, is particularly good on bread at breakfast. Liquid acacia honey goes well with strawberries,

raspberries and currants, and with fermented milk products like yogurt. Gentle, sweet and calming, lime-blossom honey dissolves nicely in infusions. Chestnut honey, strong and wild and dark, is ideal for making ice cream and patisserie. All honeys are great for athletes, but limited-supply buckwheat packs the biggest wallop. Finally, bright yellow, neutral-tasting sunflower honey is suited to hot beverages like tea and coffee.

To get the word out, La Miellerie de Blanc in Rouvray welcomes visitors. In high summer 100,000 bees do their thing, and production is between 11 and 22 tons a year. The honeys are also available at La Compagne, 21 rue Daguette, 75014 Paris.

Lovers of Episses, and their love runs to fanaticism, need no more reason to attend the fair than Episses itself. For Patrick Rance, who wrote the book on French cheese, "The French Cheese Book" (Macmillan, London), "The marc-washed, deep-gold crust of Episses emphasizes the melting, creamy, golden interior but does not over-sharpen its taste."

More than two quarts of raw whole milk taken from Montbéliard cows, a white race with ruddy spots native to Montbéliard in the Doubs, is needed for one of Odile Pinçon du Sel's 8.75-oz. discs. Brought to maturity over six to seven weeks at her Ferme du Colombier in Sivy, the cheese is first washed two or three times a week with water, then with diluted marc, and ultimately with pure marc. At about four weeks the skin turns from cream to pale orange; at six weeks it is bright orange. Factory Episses takes its color from *rocou*, a rust-hued vegetable substance.

While Pinçon du Sel makes one of the most distinguished AOC ("appellation d'origine contrôlée") cheeses in France, the milk she sells to the Bel dairy in Laumes is pasteurized and made into one of the most undistinguished cheeses anywhere, La Vache Qu Rit or The Laughing Cow.

Christopher Petkanas is writing a book about the culture of cuisine in Provence.

## In Paris, Score One Hit, One Error in the Bistro Wars on the Left Bank

By Patricia Wells

**P**ARIS — Nothing presumes to represent Paris like the Left Bank, and this privileged, president-of-the-moment province of the city has a way of lording it over anyone not of the neighborhood.

Because the show and the company often supercede substance here, good restaurant food is not one of the Left Bank's attributes. Busy, popular, chic, have-to-go-there spots, yes. But food is generally an afterthought. After all, something has to come last.

In comes Marie & Fil, with a heavy dose of

chubby Left Bank attitude — the sun hasn't even had a spring trial and the clientele is already heavily bronzed, and the place is filled with lots of back slapping and where've-you-beens. A definite wannabe.

So it's a real surprise to find that this pecked-to-the-gills spot open just a few months also has an air of fun: It's bright, cheery, and the food is just what we're looking for on a casual, cool, relaxed afternoon or evening.

In a neighborhood where water-clogged vegetables and overly fragrant fish are the order of the day, I was surprised the other

evening to find asparagus and green beans cooked to a rare perfection, and a menu where one could eat just about everything with relief, all at prices that don't equal the cost of a Chanel bag.

The décor here is a mix of '30s nostalgia and 1990, with its bright, open, airy-greenhouse atmosphere. Service is aloof and detached, but that comes with the territory.

Main dishes include a hearty ratatouille flanked by a pair of pan-seared trout and topped with a dollop of black olive paste, or *topenade*; a spring lamb stew, or *navarin d'agneau* that would make a grandmother

proud; and their *rosbif-purée*, stout platters of roast beef and mashed potatoes.

Not so many blocks away, not far from the Sevre-Babylone crossroads, there's another newish restaurant, La Fermerie, and a whole other story. The chef, Christophe Chabanel, seems to have a fine Boy Scout mentality, but doesn't have clue as to what people are really in the mood for in the 1990s.

He is one of the handful of chefs remaining who decide to opt for a *cuisine gastronomique*, a modern code word for "my own food." My own food is fine when in the hands of a Joel Robuchon, a Guy Savoy, or an Alain Passard, but that demands a great

deal of talent and educated creativity.

Whenever a cook decides to improve upon nature, we're in trouble. A case in point is his *paupiettes de tourneau au coulis d'arilles* — bundles of cabbage-wrapped crab swimming in a baby crab sauce. The word *paupiette* already takes us back to the '30s with thoughts of warming trays filled with little packets of veal. That aside, the chef does the very elegant crab no real service by giving it such a down-home wrapping of cabbage.

Don't get me wrong: The dish was actually quite good — if a bit heavy and out-of-date — but he definitely did the crab and difference. How much better it would have been to serve

a cool, herb-flecked crab salad with a vibrant, well-seasoned crab sauce.

The most positive comment one can make of his food is that it's interesting, but far from provocative.

Marie & Fil, 34 Rue Mazarine, Paris 6; Tel: 43.26.69.49. Closed Sunday and Monday at lunch. Credit card: Visa. 140-franc menu at lunch. A la carte, about 220 to 250 francs, including service but not wine.

La Fermerie, 18 Rue de la Chaise, Paris 7; Tel: 45.49.22.43. Closed Sunday and Monday at lunch. Credit card: Visa. 150-franc luncheon menu. A la carte, 250 francs, including service but not wine.

### THE ARTS GUIDE

#### AUSTRIA

**Vienna**  
Kunsthistorisches Museum (tel: 52.177). To June 27: "Die Welt der Maya." More than 300 objects explore the world of the Mayas spanning Belize, El Salvador, Guatemala, Honduras and Mexico.

#### BELGIUM

**Antwerp**  
Kunsthistorisches Museum (tel: 52.177). To June 20: "De Brugstrat & Rubens: L'Ecole de Peinture Anversoise, 1650-1850." One hundred and fifty works by local artists throughout the century. Includes pieces by Frans Floris, Meester de Vos, Pourbus, Snijders and Van Dick.

#### BRITAIN

**London**  
Design Museum (tel: 403.6935). To Aug. 22: "Ideal Homes." Thematic sections explore the story of public housing, suburban development and notions of modernity in architecture. Highlights include reconstructions, furnishings, models and videos.  
Hayward Gallery (tel: 821.0986). To June 27: "Georgia O'Keeffe: American and Modern." Featuring more than 90 oil paintings, watercolors and charcoal drawings by the American artist.  
South Bank Centre (tel: 829.3002). To May 16: "Alternative Vienna." A London Philharmonic presentation featuring the music of H. K. Gruber and Kurt Schwertsik.

**Manchester**  
The Whitworth Art Gallery (tel: 273.4855). May 7 to July 31: "Royal Portraits of the Victorian Era." An exhibition of watercolors from the Royal Library at Windsor dating back to the reign of Queen Victoria.

#### CANADA

**Montreal**  
Musée d'Art Contemporain (tel: 873.28.78). To June 6: "Guillermo Kuitca: les lieux de l'errance." Images by the Argentine artist inspired by theater sets, room plans, beds, chairs, and city and highway maps.

#### THE CZECH REPUBLIC

**Prague**  
Kinsky Palace (tel: 231.5135). May 11 to June 23: "France and Czech Graphic Artists." More than 65 prints created by Czech artists in France or upon their return to Prague, between 1887 and 1947, including artists such as Zdenka Braunerova, Alfons Mucha and Frantisek Kupka.

#### FRANCE

**Musee d'Art Contemporain (tel: 68.78.35.35)** May 8 to Aug. 31: "L'Invasion du Réel: L'Objet dans l'Art du XXème Siècle." More than 250 works by 20th-century artists examining the prominent styles of the period, including most every artist from Braque, Picasso, Duchamp and de Chirico to Warhol.

**Paris**  
Centre Georges Pompidou (tel: 44.78.12.33). To July 4: "Jean-Michel Basquiat: Aesthetics of the Street." A retrospective of more than 100 drawings and prints on the Crucifixion.  
Hotel de Sully (tel: 43.54.87.71). To



A photograph from the exhibition in Venice and a scorpion ornament from the "Loma Negra" exhibit, New York.

#### JAPAN

**Nara**  
Nakano Museum of Art (tel: 42.48.11.67). To May 30: "Modern Nihon-ga Paintings." Works on the theme of spring by artists such as Toriaki Tessa, Torijiro Kaisei, Mutsuaki Kagaku and Irie Heiko.

**Osaka**  
Idemitsu Museum of Arts (tel: 245.8611). To May 30: "Recovered Treasures From a Sunken Chinese Ship: The Age of Great Voyages and Asia." Artifacts from the 1889 salvage of the Nankai No. 1, a medieval ship lost at sea.

**Tokyo**  
Tokyo Fuji Art Museum (tel: 26.91.45.11). To June 27: "Francisco de Goya y Lucientes." An extensive exhibition including more than 200 of the Spanish artist's prints.

#### NETHERLANDS

**Groningen**  
Groninger Museum (tel: 183.3443). May 9 to July 4: "Business Art/Art Business." This exhibition focuses on art made for commercial use.

#### RUSSIA

**Moscow**  
The Pushkin Museum (tel: 695.203878). To June 27: "The George Ortiz Collection." Some 280 masterpieces spanning 30 cultures from the Neolithic age to the late Byzantine period.

#### SINGAPORE

**Empress Place Museum (tel: 396.6885)** To June 1: "Treasures From the Silk Route." More than 200 items from 15 museums in seven Chinese provinces and Beijing.

#### SPAIN

**Madrid**  
Fundación la Caixa (tel: 435.4833). To June 6: "Ver a Miro." Fourteen pieces by Joan Miró and more than 100 works by 50 artists, reveal the impact Miró has had on Spanish art.

#### SWEDEN

**Stockholm**  
Moderne Museet (tel: 695.4250). To June 13: "Eva Aeppli." A retrospective of the artist's sculptures and life-sized puppets.

#### SWITZERLAND

**Geneva**  
Musée Barberis Mueller (tel: 312.0270). To Sept. 30: "Arts de la Côte d'Azur." This exhibit includes more than 100 works of art from ethnic groups throughout the Ivory Coast.

#### UNITED STATES

**Houston**  
Museum of Fine Arts (tel: 713.826.1361). To June 27: "Imperial Austria: Treasures of Art, Arms and Armor from the State of Styria." More than 300 works chronicle the history of Austrian culture through art, arms and armor.  
**New York**  
The Metropolitan Museum of Art (tel: 679.5500). To July 4: "Loma Negra: A Peruvian Lord's Tomb." More than 120 pieces created in the 3d century by the Moche people of Peru.

For more than a century and a half, Patek Philippe has been known as the finest watch in the world. The reason is very simple. It is made differently. It is made using skills and techniques that others have lost or forgotten. It is made with attention to detail very few people would notice. It is made, we have to admit, with a total disregard for time. If a particular Patek Philippe movement requires four years of continuous work to bring to absolute perfection, we will take four years. The result will be a watch that is unlike any other. A watch that conveys quality from first glance and first touch. A watch with a distinction: generation after generation it has been worn, loved and collected by those who are very difficult to please; those who will only accept the best. For the day that you take delivery of your Patek Philippe, you will have acquired the best. Your watch will be a masterpiece, quietly reflecting your own values. A watch that was made to be treasured.

  
**PATEK PHILIPPE**  
 GENEVE  
 Patek Philippe S.A.  
 +1. rue du Rhône - 1211 Geneva 3 - Switzerland

Attention  
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# NYSE

Thursday's Closing  
Tables include the narrow price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

13 Month High Low Stock	Div	Yld	PE	High	Low	Latest Cl
IBM	1.20	4.2	12.5	115.00	114.00	114.00
Microsoft	0.00	0.0	15.0	55.00	54.00	54.00
Apple	0.00	0.0	18.0	35.00	34.00	34.00
Oracle	0.00	0.0	20.0	25.00	24.00	24.00
Sun	0.00	0.0	22.0	15.00	14.00	14.00
Lucent	0.00	0.0	25.0	10.00	9.50	9.50
Motorola	0.00	0.0	28.0	8.00	7.50	7.50
Intel	0.00	0.0	30.0	6.00	5.50	5.50
AMD	0.00	0.0	35.0	4.00	3.50	3.50
Nvidia	0.00	0.0	40.0	2.00	1.50	1.50
ATI	0.00	0.0	45.0	1.50	1.00	1.00
3Com	0.00	0.0	50.0	1.00	0.50	0.50
NetScout	0.00	0.0	55.0	0.50	0.20	0.20
NetScout	0.00	0.0	60.0	0.20	0.10	0.10
NetScout	0.00	0.0	65.0	0.10	0.05	0.05
NetScout	0.00	0.0	70.0	0.05	0.02	0.02
NetScout	0.00	0.0	75.0	0.02	0.01	0.01
NetScout	0.00	0.0	80.0	0.01	0.00	0.00

## Nadir Evaded a U.K. Alert

**LONDON** — Britain's Serious Fraud Office acknowledged on Thursday that it had been tipped off that Asil Nadir, the former magnate accused of fraud, was about to flee the country but that police failed to stop him.

Mr. Nadir, who is charged with fraud and false accounting in the collapse of his Polly Peck conglomerate, fled to his native North Cyprus on Tuesday, skipping a record £2.5 million (\$5.5 million) bail.

The British government stepped up its efforts Thursday to get Mr. Nadir back. It issued a warrant for his arrest and summoned the Turkish ambassador to ask his government to exert pressure on the government in North Cyprus to help.

Mr. Nadir was arrested in 1990 on suspicion of stealing from Polly Peck after the conglomerate collapsed with debts of £1.3 billion (\$2.04 billion).

The Serious Fraud Office, which is prosecuting Mr. Nadir, said that it received an anonymous call in the early hours of Sunday on behalf of the London-based Turkish Cypriot businessman Ramadan Guney. Mr. Guney, an associate of Mr. Nadir's, had put up one-third of the bail.

The caller gave specific information about Mr. Nadir's imminent departure and an all-ports warning was issued by police. But Mr. Nadir turned up as scheduled for a check-in with police on Monday, the Serious Fraud Office said.

A spokeswoman for the office noted that all ports warnings in fact cover only main ports and airports. "There are plenty of private airfields and there are other ways of going," she said.

A member of Parliament from the opposition Labor Party, Max Madden, has submitted a written question to the Secretary of State for Scotland, Ian Lang, asking how Mr. Nadir escaped the country on a private plane — believed to be from a remote Scottish airfield — and whether he filed a flight plan.

The Foreign Office said the Turkish ambassador, Candemir Onhon, was being called in on Friday. A spokesman said Mr. Onhon would be asked to transmit Britain's request for Turkey to "exercise its influence" over the authorities in Northern Cyprus to return Mr. Nadir. The Northern Cyprus state has no extradition treaty with Britain and has refused to arrest Mr. Nadir.

The arrest warrant, issued by Justice William Macpherson, would allow Britain to press for Mr. Nadir's arrest if he left Northern Cyprus and went to a country with which it had an extradition pact.

By coincidence the leading figures in the British legal establishment are attending a Commonwealth law conference in Niocosa, less than 20 miles (32 kilometers) from where Mr. Nadir landed. These figures include the director of public prosecutions, Barbara Mills; the director of the Serious Fraud Office, George Staple; and Lord MacKay, the Lord Chancellor.

*(Reuters, Bloomberg)*

13 Month High Low Stock	Div	Yld	PE	High	Low	Latest Cl
IBM	1.20	4.2	12.5	115.00	114.00	114.00
Microsoft	0.00	0.0	15.0	55.00	54.00	54.00
Apple	0.00	0.0	18.0	35.00	34.00	34.00
Oracle	0.00	0.0	20.0	25.00	24.00	24.00
Sun	0.00	0.0	22.0	15.00	14.00	14.00
Lucent	0.00	0.0	25.0	10.00	9.50	9.50
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NetScout	0.00	0.0	60.0	0.20	0.10	0.10
NetScout	0.00	0.0	65.0	0.10	0.05	0.05
NetScout	0.00	0.0	70.0	0.05	0.02	0.02
NetScout	0.00	0.0	75.0	0.02	0.01	0.01
NetScout	0.00	0.0	80.0	0.01	0.00	0.00

**TRIS INDEX**

**By Ahead**

**Really Need**

**CURRENCY**

*(Continued on Page 10)*



## THE TRIB INDEX 101.08

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.

50-day moving average  
101.08  
100  
90  
80  
70  
1992 D J F M A M 1993

The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

**Asia/Pacific** Europe N. America  
Approx. weighting: 25% Approx. weighting: 40% Approx. weighting: 35%

Close	Prev.	Change	Close	Prev.	Change	Close	Prev.	Change
111.67	112.43	-0.76	99.27	99.69	-0.42	98.82	99.21	-0.39

Industry	Close	Prev.	% change
Energy	102.18	101.44	+0.73
Utilities	112.22	112.18	+0.04
Finance	102.68	102.86	-0.17
Services	109.54	110.03	-0.49
Capital Goods	102.09	102.13	-0.04
Raw Materials	102.91	103.26	-0.44
Consumer Goods	99.36	99.51	-0.17
Miscellaneous	103.27	102.87	+0.39

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to Trib Index, 181 Avenue Charles de Gaulle, 92021 Neuilly Cedex, France.

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## Japan's Trade Surplus Widens as Yen Rises

By Steven Brill  
*International Herald Tribune*

TOKYO — The yen's rapid rise, which the U.S. government hoped would eventually serve to reduce Japan's trade surplus, helped boost that surplus to record levels in the latest reporting period, according to government figures released Thursday.

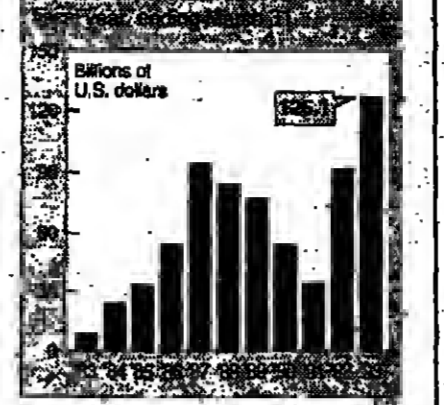
Japan's current-account surplus surged 39.7 percent to a record \$126.1 billion in the year ended March 31.

The data come just as Washington is stepping up pressure on Japan to deliver concrete and measurable results in its effort to rectify its trade imbalances.

The surplus, reflecting the increase in the yen's value against the dollar as well as the listless Japanese economy's reluctance to import, far exceeded the government's original forecast of \$71 billion, an estimate that it revised some months ago to \$116.5 billion.

The trade surplus for the fiscal year widened 19.7 percent to \$136.1 billion. Exports, led by growth in auto parts, personal computers and semiconductors, expanded 7.5 per-

## Rising Surplus



cent to \$335.4 billion, as imports rose just 0.5 percent to \$199.3 billion.

Economists said Washington would use the numbers to increase pressure on Japan to stimulate its economy and open its market further to foreign companies.

"When a country in one month runs a current-account surplus equal to the GNP of a Third World country, it's pretty hard to argue there's not a structural problem," said Paul Summersville, director of Asian research at Lehman Brothers in Tokyo.

The current-account surplus for the year got a big boost from the data for March, which showed a 38.3 percent spike to a record \$19.1 billion. The surge was helped by a sharp decline in overseas travel by Japanese, as well as a surge in funds repatriated by corporations ahead of the close of the fiscal year.

Reflecting this, the account on so-called invisible trade spurted to a surplus of \$4.3 billion in March from a deficit of \$186 million in February and a surplus of \$1.4 billion a year earlier.

"This puts Japan in a very delicate situation," said Tony Nafte, an economist at IDEA, a New York-based market research concern. "In past years, Japan had been able to offset its large trade surplus with a deficit in the invisibles."

Mr. Nafte predicted that Japan's current-account surplus this year would stay flat at about \$125 billion, with about 60 percent of the total being racked up in the six months through September and the gap beginning to

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## Study Paints Bleak Picture of French Economy

By Roger Cohen  
*New York Times Staff Writer*

PARIS — The French economy is in far worse straits than the defeated Socialist government had suggested, according to a report published Thursday that had been cited as a factor in the suicide last week of former Prime Minister Pierre Bérégovoy.

The budget deficit is twice as large as estimated last year, the economy has entered a recession rather than heading for 2.6 percent growth in 1993 as predicted by the last government, and the country's social-security system is fast going bankrupt, the report says.

Its publication came a few hours after the Bank of France cut interest rates for the fourth time in less than three weeks in an attempt to revive the economy. The central bank cut its intervention rate, which sets a notional floor for very short-term interest rates paid by banks, to 8 percent from 8.25 percent, and it lowered its emergency five- to 10-day lending rate, which creates a ceiling, to 9 percent from 9.25 percent.

The report on the economy, commissioned by the new center-right government of Edouard Balladur and compiled by the chief state auditor, had become highly controversial before its disclosure because leaks of its contents carried the clear suggestion that Mr. Bérégovoy had misled the country over the state of the economy. Following Mr. Bérégovoy's suicide on Saturday, its publication was delayed from Monday until Thursday.

In an attempt to calm the furor, Jean Reynaud, the auditor, introduced the report at a news conference by praising Mr. Bérégovoy, and said he had never had any

desire to conduct "a trial" against the former prime minister. He added that the report's findings could not have been predicted six months ago, when Mr. Bérégovoy set out his budget plans for 1993.

But the report amounted to a clear statement that Mr. Bérégovoy's government had mismanaged the economy and, either because of poor analysis or a deliberate attempt to mislead people ahead of March's parliamentary election, portrayed the economic situation with undue optimism. In the place of a budget deficit for 1993 of 165 billion francs (\$31 billion), the report said that the likely deficit this year would be 341 billion francs.

Such a deficit would amount to 4.8 percent of gross national product, or the nation's total output of goods and services, compared with the target of 2.2 percent published last year by Mr. Bérégovoy's government.

Because the Maastricht treaty on European union says that only countries with deficits of less than 3

See FRANCE, Page 13

## More Evidence of Flagging U.S. Economy

Compiled by Our Staff From Dispatches

WASHINGTON — The U.S. government and major retailers issued reports Thursday that offered further evidence of an economy flagging from its euphoric high following President Bill Clinton's election in November.

The reports showed lower productivity and stagnant unemployment as well as continuing weakness in retail sales.

Meanwhile, Treasury Secretary Lloyd Bentsen told a Senate subcommittee that he is in a period of slow growth in the major industrial countries, although he said he saw recent interest-rate cuts helping to restore growth in some European countries.

The productivity of American workers fell 0.1 percent in the first quarter of the year, the first decline in two years, the Labor Department said.

Nonfarm productivity, defined as output per number of hours worked, was down sharply from the revised 4.1 percent surge in the final three months of 1992. It was the first drop since a 0.7 percent decline in the first quarter of 1991.

Although the fourth-quarter number was not as strong as the 4.8 percent initial estimate, it still was the best performance since 1986.

Increased productivity is essential to support rising living standards and enhance U.S. competitiveness in international markets.

The Labor Department also reported that the number of Americans filing first-time claims for job-

## Recession Deepens in Germany

Compiled by Our Staff From Dispatches

BONN — Germany's recession is deepening, according to figures released Thursday, which showed industrial orders plunging 3 percent in March and unemployment continuing to rise.

"Some were saying the low point of the recession was near," said Peter Pletsch at Commerzbank in Frankfurt, "but these figures show we have some very difficult months ahead."

The Economics Ministry said orders in Western Germany fell a provisional 3 percent in March from February, considerably more than the 0.5 percent drop that economists had expected. Capital-goods orders were down 4 percent.

The West German jobless total, adjusted for seasonal variations, rose to 2.21 million in April from 2.17 million in March, the Federal Labor Office said. But the unemployment rate fell slightly, to 7.1 percent from 7.2 percent.

The bleak numbers came as a strike in economically fragile eastern Germany spread on its fourth day, affecting 70 steel plants, up from 50 a day earlier. Metalworkers met with employers to try to resolve the dispute, but both sides doubted a resolution would be found soon. (Reuters, AFP)

## Thinking Ahead Do We Really Need the G-7?

By Reginald Dale  
*International Herald Tribune*

WASHINGTON — Bit by bit, a debate is beginning about the future management of the world economy. So far it has mostly focused on whether or not the Group of Seven is doing a good job. (It isn't.) But now that the Cold War is over, it's time for a wider shake-up of some of the West's outdated international institutions. And, just as in the years after World War II, there's no alternative to American leadership.

Following its ministerial meeting in Washington last week, U.S. Treasury Secretary Lloyd Bentsen says the G-7 is in better shape, and getting to grips with the world's problems. But that's largely a hoax.

Whether the issue is aid to Russia or promoting international growth, the G-7 has not shed its habits of claiming false credit for policies that its individual members and other institutions like the IMF would have carried out in any case.

Despite its self-serving communiqués, the G-7 has yet to engineer a major change of course in the world economy. It has been successful mainly in reinforcing trends that were already under way, like the decline of the dollar from 1985.

Above all, the G-7 has severely damaged its credibility by its repeated failure to bring about a successful conclusion to the Uruguay Round — the biggest single boost that can be given to world growth. And it is not the G-7 but the Organization for Economic Cooperation and Development that is grappling with the most vital economic issue facing the industrialized countries — how to provide employment in a world where traditional jobs are being swept away by new technology and the abolition of economic frontiers.

One thing the G-7 should do for a start is end the pomp and circumstance, and the ludicrous media extravaganzas, that now overwhelm its once informal economic summit. The Japanese hosts at this July's gathering should shut the leaders up in a modest castle and raise the drawbridge, or ship them out to sea for two days, and only let the media get a sniff of them once it's all over.

But why stop there? In a speech in February, President Bill Clinton called for a new look at the international economic institutions, to see "whether we need to modify them or create others." His invitation has now been taken up by a well-known figure in international economic circles, former Congressman Henry Reuss, who proposes a merger of five "largely obsolete" overlapping institutions — the G-7, the OECD, the Geneva-based Economic Commission for Europe, the Conference on Security and Cooperation in Europe in Vienna and Prague and the Council of Europe in Strasbourg.

The new policy-setting body, perhaps to be called the Organization for International Cooperation, would include the whole of Europe and Russia from Reykjavik to Vladivostok, the United States, Canada, Japan, Australia and New Zealand. It would cover politics and human rights as well as economics, with the G-7 acting as a kind of security council or steering committee.

The advantages of such a plan are that it would help to incorporate Russia and the East European countries into Western economic and political decision-making; provide the G-7 with a much-needed secretariat (an upgraded OECD staff in Paris); involve Japan more directly in Russian and East European reconstruction and relieve pressure on the EC to admit the East European countries; by providing them with "interim lodging," in Mr. Reuss's words.

The idea could be developed to include associate membership of the G-7 for Russia until it qualified economically and politically for a full seat at the table. Membership of the OIC would be limited to industrial democracies or those clearly heading for such status. It could thus be expanded to include Latin American and Asian countries.

Such a group would clearly have to get its public relations right to avoid antagonizing those not included. It would have to be devoted to policies — world growth, low inflation and open markets — that would benefit all nations. It would not, of course, supersede worldwide organizations like the General Agreement on Tariffs and Trade, the IMF and the World Bank.

It may be that there are better solutions. The debate should be broadened. As a next step, the United States and the other G-7 countries should start trying to answer Mr. Clinton's question and come up with their own proposals.

## Share-Issue Plan Sends Banesto Stock Plunging

Compiled by Our Staff From Dispatches

MADRID — Banesto's share price fell further on Thursday, deepening the plunge in the Spanish bank's stock since it announced a huge capital increase on Tuesday.

The size of the fund-raising plan prompts doubts whether Banesto will succeed in selling all the new shares, traders and analysts said.

Banesto, whose full name is Banco Español de Crédito SA, wants to increase its capital base by 140 billion pesetas (\$1.2 billion) in a three-stage plan.

The core of the capital increase is to be a rights issue, an offer to existing shareholders to buy three new shares for one old, to raise 52.66 billion pesetas. There is also to be a share offering worth 42.25 billion pesetas, and a sale of convertible bonds to raise \$400 million, or about 46 billion pesetas.

The shares to be sold in the rights offer will be priced at 1,500 pesetas. Banesto closed at 2,100 pesetas, down 150 pesetas, on Thursday on the Madrid exchange. It had shed 100 pesetas on Wednesday.

"The share price is plummeting because nobody expected Banesto to want to tap the market to such a degree," said Victor Galliano, a banking analyst at Baring Securities in London.

"When Banesto first made its plans known it was planning to raise a much smaller amount, and there was no talk of a rights issue and convertible bonds then," Mr. Galliano said.

Banesto in February said it wanted to raise about 52 billion pesetas.

The plan, Spain's biggest-ever capital increase, has prompted concern about Banesto's ability to meet its dividend obligations next year.

"There's growing concern that Banesto may not be able to keep up its dividend payments if the number of shareholders increases so much," said Elena Fernandez Trapiella, assistant sales director at Banco Santander de Negocios in Madrid.

The bank's dividend had already been called into question after it reported in March that its net profit had fallen 62 percent last year, to 18.4 billion pesetas. The 1991 dividend was 205 pesetas, or a total of 20.24 billion pesetas.

A Banesto spokesman said the bank was not concerned that the fund-raising plan might not be successful.

"It's natural that the share price falls after plans for a capital raise have been announced," he said. "We're very confident that investors will take the opportunity to buy Banesto shares at a lower price."

Banesto shares are also under pressure because the bank owns a large number of industrial assets, analysts said. Many of them have been hit hard by the recession in Spain.

One of the most striking examples is the mining company Asturiana del Zinc SA, in which Banesto owns 58 percent. Asturiana's pretax loss after extraordinary items widened almost 44 percent, to 15.7 billion pesetas, in its latest year.

Banesto used to be a large industrial bank with a substantial retail base. It restructured its business at the end of the 1980s to gain a larger share of the Spanish retail-banking market.

Banesto's industrial-banking business, mainly in the cement, construction and communication sectors, is carried out by its unit La Corporación Banesto.

The industrial assets have become a liability for Banesto, said Mr. Galliano at Baring Securities. He rates Banesto a "sell/avoid."

"Now it's time to get into Spanish banks but not into Banesto," he said. (Bloomberg, Reuters)

## Clinton Vows 'Extra Mile' on GATT

Compiled by Our Staff From Dispatches

WASHINGTON — President Bill Clinton said Thursday that he was prepared to make "extraordinary efforts" to complete talks for a new General Agreement on Tariffs and Trade by Dec. 15.

The United States "is ready to go the extra mile to reach an agreement" in the Uruguay Round of talks, Mr. Clinton said in a speech at the Export-Import Bank of the United States.

The trade talks, which would establish rules designed to stimulate global trade among more than 100 countries, have been snagged in large part because of disputes between Washington and the Europe-

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NOTICE TO ALL UNITHOLDERS

Effective June 1st, 1993, Articles 2, 6, 7, 8, 9, 10, 11 and 19 of the Management Regulations will be changed:

The Net Asset Value will no longer be calculated on days when an exchange or market which serves as the basis for the valuation of a considerable part of portfolio's assets is closed for public holidays; Subscriptions in Kind will no longer be accepted by the Management Company.

The revised Sales Prospectus dated May 1993 will reflect these changes.

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### CURRENCY & INTEREST RATES

Cross Rates	EUR/USD	GBP/USD	JPY/USD	AUD/USD	NZD/USD	CHF/USD	HKD/USD	TWD/USD	SGD/USD	THB/USD	PHP/USD	IDR/USD	MYR/USD	INR/USD	Other
American \$	1.73	0.76	117.2	1.35	0.65	0.70	7.76	23.7	1.36	3.40	16.5	1350	1.48	47.8	153
British £	1.52	1.00	146.3	1.22	0.58	0.63	7.94	24.4	1.34	3.29	16.1	1340	1.46	47.1	152
French FF	6.55	2.48	163.6	2.53	1.21	1.30	13.76	41.9	2.56	6.55	253	2030	2.56	75.6	253
German DM	1.54	1.01	148.5	1.23	0.59	0.64	8.06	24.7	1.35	3.32	16.2	1350	1.47	47.4	153
Italian Lit	2036	752	1936	752	376	400	3200	9900	752	1936	752	6000	752	21000	752
Japanese ¥	111.0	40.1	111.0	40.1	19.4	20.5	166.4	511	40.1	111.0	40.1	3110	40.1	111.0	40.1
New York \$	1.00	0.75	100.0	1.00	0.75	0.80	7.76	23.7	1.00	2.50	12.5	1000	1.00	25.0	100
Tokyo ¥	139	50.5	139	50.5	25.3	26.4	212.8	645	50.5	139	50.5	4000	50.5	139	50.5
Taiwan \$	139	50.5	139	50.5	25.3	26.4	212.8	645	50.5	139	50.5	4000	50.5	139	50.5
Zurich Sfr	1.48	1.00	146.3	1.22	0.58	0.63	7.94	24.4	1.34	3.29	16.1	1340	1.46	47.1	152
1 ECU	1.66	1.00	166.7	1.35	0.65	0.70	7.76	23.7	1.36	3.40	16.5	1350	1.48	47.8	153
1 SDR	1.40	1.00	140.0	1.20	0.60	0.65	7.76	23.7	1.20	3.00	15.0	1200	1.20	30.0	120

Eurocurrency Deposits	1 month	3 months	6 months	1 year	2 year	3 year	4 year	5 year
Dollar	3 1/4	3 3/4	4 1/4	4 1/2	5 1/4	5 1/2	5 3/4	6 1/4
D-Mark	3 1/4	3 3/4	4 1/4	4 1/2	5 1/4	5 1/2	5 3/4	6 1/4
Swiss Franc	3 1/4	3 3/4	4 1/4	4 1/2	5 1/4	5 1/2	5 3/4	6 1/4
Sterling	3 1/4	3 3/4	4 1/4	4 1/2	5 1/4	5 1/2	5 3/4	6 1/4
French Franc	3 1/4	3 3/4	4 1/4	4 1/2	5 1/4	5 1/2	5 3/4	6 1/4
Yen	3 1/4	3 3/4	4 1/4	4 1/2	5 1/4	5 1/2	5 3/4	6 1/4
ECU	3 1/4	3 3/4	4 1/4	4 1/2	5 1/4	5 1/2	5 3/4	6 1/4

Key Money Rates	United States	Japan	Germany	France	UK	Other
Discount rate	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%
Federal funds	4.75%	4.50%	4.50%	4.50%	4.50%	4.50%
Prime rate	6.00%	5.75%	5.75%	5.75%	5.75%	5.75%
3-month Treasury bill	4.00%	3.75%	3.75%	3.75%	3.75%	3.75%
6-month Treasury bill	4.25%	4.00%	4.00%	4.00%	4.00%	4.00%
9-month Treasury bill	4.50%	4.25%	4.25%	4.25%	4.25%	4.25%
1-year Treasury bill	4.75%	4.50%	4.50%	4.50%	4.50%	4.50%
3-year Treasury note	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%
5-year Treasury note	5.50%	5.25%	5.25%	5.25%	5.25%	5.25%
10-year Treasury note	5.75%	5.50%	5.50%	5.50%	5.50%	5.50%
30-year Treasury bond	6.00%	5.75%	5.75%	5.75%	5.75%	5.75%
10-year Treasury bond	6.25%	6.00%	6.00%	6.00%	6.00%	6.00%

Forward Rates	30-day	60-day	90-day	180-day	360-day	540-day	720-day
American \$	1.548	1.552	1.556	1.560	1.564	1.568	1.572
British £	1.532	1.536	1.540	1.544	1.548	1.552	1.556
Japanese ¥	111.0	111.0	111.0	111.0	111.0	111.0	111.0
Other	1.40	1.40	1.40	1.40	1.40	1.40	1.40

Sources: ING Bank (Amsterdam); Deutsche Bank (Frankfurt); Banca Commerciale Italiana (Milan); Societe Generale (Paris); Citicorp (Tokyo); Citibank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

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MARKET DIARY

Soft Retail Sales Pull Stocks Down

Bloomberg Business News NEW YORK — U.S. stocks fell slightly Thursday amid bleak April retail sales and apprehension about Friday's employment report.

N.Y. Stocks

256 million shares changing hands on the Big Board. Many market watchers were waiting for the April unemployment data.

YEN: Trade Gap With U.S. Widens

(Continued from first finance page)

narrow later in the year as the Japanese economy gained strength. "Corporations have been under pressure and cutting back, but now because of the yen we're beginning to see signs that investment will take off again when corporate profits rebound later in the fiscal year," said Geoffrey Barker, economist at Baring Securities.

Foreign Exchange

U.S. Treasury Secretary Lloyd Bentsen termed the \$1.2 trillion yen (\$119.7 billion) stimulus package recently announced by Japan a welcome first step.

At the same time, the U.S. trade representative, Mickey Kantor, is pushing Japan to accept being judged by "concrete, measurable" results in bilateral trade accounts.

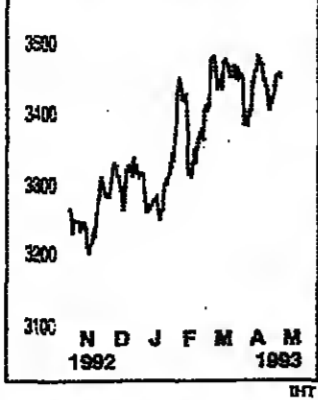
But Japan reacted Thursday with indignation and bewilderment to the charge that it discriminates against foreign companies.

WORLD STOCK MARKETS

Table listing world stock markets with columns for market name, index, and change. Includes sections for Amsterdam, Brussels, Frankfurt, London, and Zurich.

The Dow

Daily closings of the Dow Jones industrial average



NYSE Most Actives

Table listing the most active stocks on the NYSE with columns for stock name, price, and volume.

NYSE Most Actives

Table listing the most active stocks on the NYSE with columns for stock name, price, and volume.

NYSE Diary

Table listing NYSE trading activity with columns for stock name, price, and volume.

Amex Diary

Table listing Amex trading activity with columns for stock name, price, and volume.

NASDAQ Diary

Table listing NASDAQ trading activity with columns for stock name, price, and volume.

Dow Jones Averages

Open High Low Last Chg.

Table listing Dow Jones averages with columns for index name, price, and change.

Standard & Poor's Indexes

Table listing Standard & Poor's indexes with columns for index name, price, and change.

NYSE Indexes

Table listing NYSE indexes with columns for index name, price, and change.

NASDAQ Indexes

Table listing NASDAQ indexes with columns for index name, price, and change.

AMEX Stock Index

Table listing AMEX stock index with columns for index name, price, and change.

Dow Jones Bond Averages

Table listing Dow Jones bond averages with columns for bond name, price, and change.

Market Sales

Table listing market sales with columns for market name, volume, and change.

N.Y.S.E. Odd-Lot Trading

Table listing N.Y.S.E. odd-lot trading with columns for stock name, price, and volume.

S&P 100 Index Options

Table listing S&P 100 index options with columns for option name, price, and volume.

EUROPEAN FUTURES

Class High Low Prev. Close

Table listing European futures with columns for contract name, price, and change.

Industrials

Table listing industrial futures with columns for contract name, price, and change.

Stock Indexes

Table listing stock index futures with columns for contract name, price, and change.

Spot Commodities

Table listing spot commodity prices with columns for commodity name, price, and change.

Dividends

Table listing dividend-paying stocks with columns for stock name, dividend amount, and date.

For investment information

read THE MONEY REPORT every Saturday in the IHT

U.S. FUTURES

Class High Low Prev. Close

Table listing U.S. futures with columns for contract name, price, and change.

Grains

Table listing grain futures with columns for contract name, price, and change.

Metals

Table listing metal futures with columns for contract name, price, and change.

Livestock

Table listing livestock futures with columns for contract name, price, and change.

Financial

Table listing financial futures with columns for contract name, price, and change.

Stock Indexes

Table listing stock index futures with columns for contract name, price, and change.

Commodity Indexes

Table listing commodity index futures with columns for contract name, price, and change.

AmEx to Buy Swedish Travel Agency

NEW YORK (Combined Dispatches) — American Express Co. is a bid to increase its travel business in Europe, said Thursday its travel services subsidiary had agreed to acquire the largest Scandinavian travel agency for about \$115 million.

American Airlines to Ground 6 Jets

DALLAS (AP) — AMR Corp.'s American Airlines said Thursday it would ground six of its 10 McDonnell Douglas DC-10-30 long-range, widebody jets this autumn.

USG Out of Chapter 11 After 38 Days

CHICAGO (UPI) — USG Corp. completed two-and-a-half years of restructuring and emerged from Chapter 11 bankruptcy Thursday, completing one of the largest prepackaged bankruptcies ever in 38 days.

Kodak Gets Stockholder Backing

ROCHESTER, New York (AP) — The California Public Employees Retirement System, a major Eastman Kodak Co. stockholder, says it will give Kodak's chairman, Kay R. Whitmore, a chance to run the company around.

Disneyland Faces \$400,000 in Fines

ANAHEIM, California (UPI) — The U.S. Immigration and Naturalization Service has levied nearly \$400,000 in penalties against Disneyland for allegedly hiring illegal aliens.

For investment information

read THE MONEY REPORT every Saturday in the IHT

Copper Prices Slide Further

NEW YORK — The world copper market suffered another heavy bout of selling Thursday, with prices skidding more than 4 percent, and analysts said they expected further declines.

Market Closed

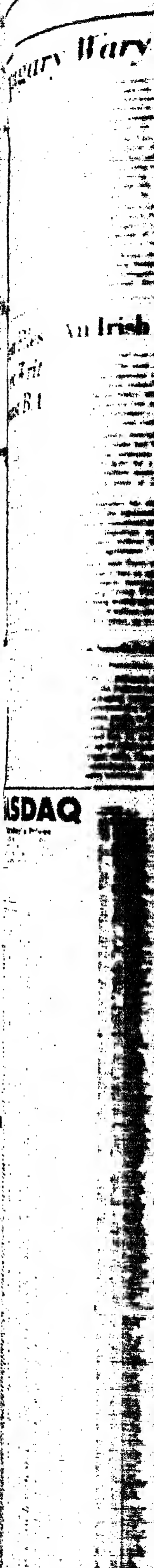
The stock market in Singapore was closed Thursday for a holiday.

Stockholm

Table listing Stockholm stock market activity with columns for stock name, price, and volume.

Toronto

Table listing Toronto stock market activity with columns for stock name, price, and volume.





NYSE Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and to not reflect late trades elsewhere. Via The Associated Press

(Continued)

Table with columns: 12 Month High/Low, Div, Yld, PE, 52 Week High/Low, and various stock symbols like ABC INVESTMENT SERVICES CO, ABC Future Fund, etc.

Table with columns: 12 Month High/Low, Div, Yld, PE, 52 Week High/Low, and various stock symbols like AIG AMERICA STRATEGIC, AIG Balanced World, etc.

Table with columns: 12 Month High/Low, Div, Yld, PE, 52 Week High/Low, and various stock symbols like AIG Euro-Strategic, AIG Euro-Small Cap, etc.

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INTERNATIONAL FUNDS

Quotations supplied by funds listed. Net asset value quotations are supplied by the funds listed with the exception of some quotes based on latest prices. The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (q) - quarterly; (l) - twice weekly; (m) - monthly.

Table with columns: Fund Name, Div, Yld, PE, 52 Week High/Low, and various international fund symbols like DARIER HENTCH GROUP, DAI Motor Markets Fund, etc.

NEW FUNDS

Table with columns: Fund Name, Div, Yld, PE, 52 Week High/Low, and various new fund symbols like ABC INVESTMENT SERVICES CO, ABC Future Fund, etc.

NYSE High-Lows

Table with columns: Fund Name, Div, Yld, PE, 52 Week High/Low, and various NYSE high-low fund symbols like ABC INVESTMENT SERVICES CO, ABC Future Fund, etc.

AMEX High-Lows

Table with columns: Fund Name, Div, Yld, PE, 52 Week High/Low, and various AMEX high-low fund symbols like ABC INVESTMENT SERVICES CO, ABC Future Fund, etc.

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.

Hutchison Selling A Stake to CITIC

Compiled by Our Staff From Dispatches HONG KONG — Hutchison Whampoa Ltd., a conglomerate controlled by the Hong Kong tycoon Li Ka-shing, is selling 32.6 million-worth of shares to two Chinese-controlled companies as part of a big capital increase, brokers said Thursday. Agents for the private placement, Peregrine Securities Ltd. and Sun Hung Kai Securities, said Hutchison was selling 250 million shares at 18.30 Hong Kong dollars each, to raise a total of 4.58 billion dollars (\$586.5 million). Of the total, 100 million shares were placed with two Chinese companies, locally listed CITIC Pacific Ltd. and the state-run steelmaker Shougang Corp., brokers said. Another 100 million shares went to Cheung Kong (Holdings) Ltd., the Li flagship that is Hutchison's main shareholder. A Sun Hung Kai official said the rest of the shares were placed with institutions. After the transactions, Cheung Kong's interest in Hutchison will fall to around 40 percent from about 43 percent at the end of 1992. The money is being raised partly to fund Hutchison's expansion in China, a Peregrine official said. The company also needs cash for its British telecommunications business, according to analysts. Hutchison has interests in real estate development and investment, the port and shipping business, retailing, telecommunications, media, energy and finance. There has been speculation about a Hutchison placement for some time. On Thursday, intensified rumors about the issue prompted by news reports sent the shares of Cheung Kong and Hutchison tumbling in Hong Kong. Cheung Kong fell 50 cents to 26.30 dollars and Hutchison dropped 40 cents to 19.30 dollars. The rumors also hit the broader market, with the Hang Seng index ending down 33.81 points at 6,795.52. (Reuters, Knight-Ridder, Bloomberg)

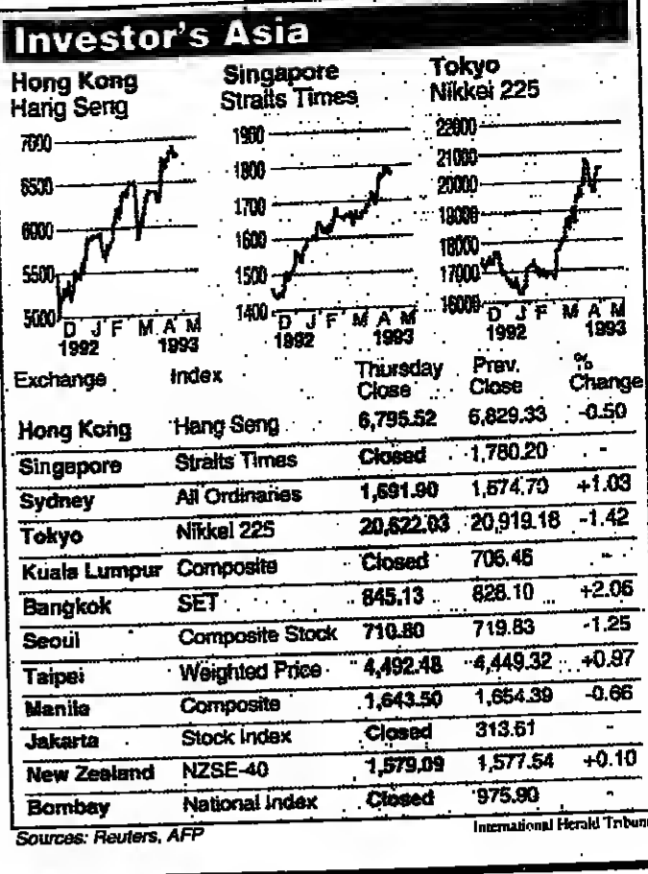
Banking on Thai Military Its Financial Institution Leads the Bourse

Bloomberg Business News BANGKOK — Thai Military Bank has apparently dodged a bullet. A year ago, banking analysts figured the military-linked institution would face a run on deposits or a public boycott in the aftermath of a bloody crackdown by the nation's armed forces against pro-democracy demonstrators in Bangkok. But a year after the upheaval, Thai Military Bank continues to prosper from its financial ties to the military, a steady stream of loans for safe government-backed infrastructure projects and a strong consumer-lending base. The military bank, in fact, is one of the most profitable of all Thai banks. Its profit rose 80 percent last year, to 1.8 billion baht (\$71.4 million), on \$6 billion in assets, and earnings this year are expected to jump 33 percent to 2.4 billion baht, according to Baring Research in Bangkok. Thanong Bidaya, an American-educated business professor and executive who took over as the bank's president in October, says that although the Thai military owns 33 percent of the bank's equity and dominates its board, holding 13 of 15 seats, "it doesn't interfere with management decisions." The bank's stock price rose 37 percent in the first

quarter of 1993, making it the fastest-growing equity in the banking sector, but analysts still call it a good value. "We definitely like Thai Military Bank as a long-term investment," said Somkiat Keelawai of the brokerage concern Phatra Thanakit. Among its business lines, the bank extends loans and letters of credit to Thailand's defense establishment for the purchase of weapons systems. It also collects fees for handling the military's payroll and assorted investments. But Mr. Thanong insists that its military connections explain only a small part of the bank's success. "The military service portion represents less than 10 percent of our total activities," he said. Domestically, the bank has built up a substantial business in retail lending. Among major Thai institutions, Thai Military Bank's loan portfolio has the highest percentage of mortgage and consumer finance activities. Manufacturing loans account for only a small fraction. That loan mix gives the bank an edge when it comes to capital requirements. The Bank for International Settlements, which sets international banking standards, considers mortgage loans much less risky than corporate loans, so Thai Military Bank does not need to hold as much cash in reserve as some other banks do.

ADB Fears A Decline In Lending

MANILA — The Asian Development Bank ended its annual meeting on Thursday with a tough warning that it may have to start chopping its lending by \$1 billion a year from the end of 1994. Bank officials said virtually all 53 member nations backed putting up more capital so the regional bank could raise money to lend to some of the world's poorest nations. But the United States, concerned the ADB may be sacrificing quality in its development work for sheer quantity, said it had yet to be convinced the bank needed a capital raise. The ADB president, Kimimasa Tarumizu, told reporters at the end of the three-day meeting he remained hopeful a solution to the problem could be found. The vice president, Gunther Schulz, said that if the United States had its way — tying the bank's lending to its current resources — then loans would fall far below present levels. Another bank official said lending, excluding soft loans, would have to drop to around \$3 billion in 1995 from 1992's \$4 billion, marginally less than the bank is expected to lend this year. Mr. Tarumizu said before the meeting he hoped for an accord on the issue and was strongly supported by Japan's finance minister, Yoshio Hayashi. Japan is now the largest single shareholder in the bank and equal first position after failing to pay all its dues. U.S. Assistant Treasury Secretary Jeffrey Shafer said at the meeting on Wednesday that many of Asia's booming economies did not need outside resources to stimulate investment. Mr. Shafer struck a chord, however, with his call for the bank to focus on the quality of its programs. The success rate of ADB projects has been sliding in recent years from more than 70 percent seen as successful in the late 1980s to around 60 percent. The Americans also staked a re-assertion of aid to Vietnam, a U.S. delegate said that Washington, which has eased its restrictions a little in recent months, would be ready to lay out its position by the end of June.



Very briefly: Beijing municipality will abolish the system of grain ration coupons Monday, sending prices of milk, flour and cooking oil up 15 to 20 percent. Kinshasa Banking Corp., part of the Bank of China group, will distribute Fidelity Investments' mutual funds in Hong Kong. China National Offshore Oil Corp. signed a contract with Atlantic Richfield Co. to explore for natural gas in the South China Sea off Hainan, the Xinhua news agency said. Tung Wing Steel Holdings of Hong Kong said it may acquire certain assets from its China-controlled parent company, Shougang Holding (Hong Kong), and issue new shares to finance the transaction. Japan's foreign-exchange reserves rose by \$6.88 billion in April to total \$76.93 billion at the end of the month, the Finance Ministry reported; banking sources attributed the surge to the Bank of Japan's dollar-buying to brake the yen's sharp rise against the U.S. currency. The Japan Automobile Dealers Association said sales of new motor vehicles in April dipped 11 percent from a year earlier to 398,991 units; the total was down 43.5 percent from March, when dealers stepped up sales in the final month of the financial year. Burns Philp & Co., the Australia-based foods company that sells in North America under the Fleischmann's, Durkee-French and Spice Islands labels, acquired the European herb and spice operations of Hunter Saphir PLC for \$5 million Australian dollars (\$3.9 million). Wisconsin Central Transport of the United States has joined the bidding for government-owned New Zealand Rail, New Zealand media reported; a total of six bidders are believed to be involved, including the Pittsburgh-based Railroad Development Corp. GATT's director-general, Arthur Dunkel, will visit Vietnam from May 17-21 to study Vietnam's trade policy; diplomats in Hanoi described the visit as an important early step toward membership for Vietnam in the General Agreement on Tariffs and Trade.

Daewoo Puts a \$400 Million Project in Pakistan on Hold

ISLAMABAD, Pakistan — South Korea's Daewoo Group said Thursday it had frozen plans for an investment of as much as \$400 million in Pakistan because of political uncertainty after the dismissal last month of Prime Minister Nawaz Sharif. "When the dust settles, Daewoo will come back and restart negotiations," the industrial group's public relations director, Khwaja Ahsan Pal, said in an interview. Daewoo's top officer, Kim Woo Chung, told Mr. Sharif in January that Daewoo was considering investing \$400 million to set up

several factories in a special export-processing industrial zone near Karachi. But after President Ghulam Ishaq Khan of Pakistan removed Mr. Sharif from office last month, accusing him of mismanagement and corruption, Daewoo decided to put its plans on hold until after the Pakistani elections scheduled for July 14, Mr. Pal said. "We will wait and watch and see how things go as a bureau adviser, Imtiaz Azim, said. "If Nawaz Sharif comes back, there will be no problem. If there is a new government, then foreign investors will have to study and watch."

Daewoo had considered setting up a car plant and electronics factory in the Port Qasim industrial zone near Karachi because of low land prices and tax incentives, Mr. Azim said, but now it might transfer the project to Southeast Asia or India instead. Mr. Azim said the change of government had had no impact on Daewoo's construction of a 339 kilometer (210 mile) six-lane freeway between Islamabad and Lahore, capital of Punjab Province, at a cost of 23.68 billion rupees (\$884.9 million). The project had been criticized by opponents of Mr. Sharif, and Mr. Ishaq Khan

hinted in his dismissal speech that the government may have been guilty of extravagance on the project and of corruption in the awarding of contracts. Mr. Sharif has denied the charges. Separately, in South Korea, riot police raided an auto-parts plant Thursday and ended a one-week strike that had paralyzed operations at Hyundai Motor Co., the country's largest car company. Three union leaders who had orchestrated what authorities said was an illegal strike at Apollo Industrial Co. in the southeastern city of Kyongju were arrested, South Korean officials said.

COMPANY RESULTS Table with columns for Revenue, Profit, and Share Price for various companies like British Petroleum, Canada, Petro-Canada, etc.

China to Raise Power Prices to Lure Investors The Associated Press BEIJING — Seeking to attract foreign investment, China plans to raise electricity prices to ensure that investing in power development is profitable, according to an official report Thursday. Shi Dazhen, minister of power industry, said China planned to increase electricity production capacity by 50 percent, to 101 million kilowatts, in the next five years but domestic funding could provide only 70 to 80 percent of the money needed, the China Daily reported. China has a severe energy shortage that threatens to wreck its rapid development plans. Industrial production is only 60 percent of capacity because of insufficient energy.

Beijing Ignores Levi Move BEIJING — The government Thursday shrugged off a decision by Levi Strauss to shun China because of human-rights concerns. "Tens of thousands of foreign companies invest in China, several thousand of them from the United States," said a government spokesman, Wu Jianmin, at a news conference. "If some individual ones want to withdraw, please do. They're quite free to move in and out and they don't need to make excuses." Levi Strauss said it will not invest directly in China and will reduce its use of contractors there, citing human-rights abuses such as the use of prison labor. Levi Strauss pays about \$40 million annually for 5 million shirts and pairs of pants from 30 sewing and laundry contractors in China. They produce 2 percent of the company's output.

Philippines to Sell Off Shares Once Owned by Marcos The shares had been turned over to the government by former associates of Mr. Marcos, who was forced to quit as president and leave the country in 1986. The government has since been seeking to recover millions of dollars worth of assets that Mr. Marcos had diverted to his personal use. Half of the shares will be reserved for public and private employees, who can obtain loans from two pension agencies, the Government Service Insurance System and the Social Security System, to buy as much as 50,000 pesos of shares. The government also has used the sequestered shares of business partners of Mr. Marcos to seize majority control of Philippine Long Distance Telephone Co. and the brewer San Miguel Corp. The president's spokeswoman said a similar plan would be devised for selling off those shareholdings as soon as legal issues of ownership have been settled.

Iraq Cancels Banknotes, Hitting Speculators BAGHDAD — Iraq has hit foreign speculators where it hurts, telling them their cache of prematurely priced Iraqi cash is worthless. The governor of the Iraqi central bank said late Wednesday that traders abroad should not expect Iraq to exchange 25-dinar banknotes it has withdrawn from circulation.

AMEX Thursday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press. Lists various stocks and their prices.

Market data table with columns for High, Low, and Change for various stocks.

Market data table with columns for High, Low, and Change for various stocks.

Market data table with columns for High, Low, and Change for various stocks.

Market data table with columns for High, Low, and Change for various stocks.

# SPORTS BASEBALL

## Orioles' Mussina Holds Fast to His Winning (4-1) Ways

By Mark Maske  
*Washington Post Staffer*  
**MINNEAPOLIS** — There were the customary quips in the Baltimore Orioles' clubhouse about Mike Mussina needing to find a higher league in which to pitch. There were the obligatory raves coming from down the hall in the Minnesota Twins' locker room. For Mussina, pitching excellence has become the mundane norm at the age of 24 and all of 50 games into his major-league career. Wednesday brought, ho-hum, a tidy two-hitter as he shut down the Twins while the Orioles won, 3-0. "After a while, you run out of words to describe the kid," said the

ended — did little offensively. Mussina faced only 32 batters, five above the minimum. He walked Kent Hrbek with two outs in the fourth and Kirby Puckett with one out in the ninth. Only one Minnesota runner got to third base, that in the sixth when, after Knoblauch's hit, Shane Mack's line drive somehow got past first baseman Glenn Davis and into the right-field corner for a two-base error that created a second-and-third, one-out predicament. But Mussina rose to the occasion, striking out Puckett with a high fastball and retiring Hrbek on a ground ball to Davis. The Twins got only two other runners as far as second base — Pagliarulo in the third and Puckett in the ninth. "I'm pitching pretty well," said Mussina, who shut out the Twins for the second time in six days, lowered his earned-run average to 2.55 and won his fourth start in a row after losing one. "Maybe I've caught these guys when they're not playing very well."

### AL ROUNDUP

Orioles' manager, Johnny Oates, after Mussina issued two walks and recorded five strikeouts en route to becoming the first Oriole since Jim Palmer in August and September 1982 to throw shutouts in back-to-back starts. Mussina came close to pitching a no-hitter as each of Minnesota's two hits were within a foot or so of being caught. Mike Pagliarulo's third-inning double was a fly ball over the head of Damon Buford. The rookie center fielder got a late break, then barely missed the catch with a headlong dive before the ball bounced over the fence. And in the sixth, left fielder Brady Anderson just missed getting to Chuck Knoblauch's looping fly ball to short left-center, which became a single. Otherwise, the Twins—who had their three-game winning streak

Mussina is now 26-11 with a 2.62 ERA, six shutouts and 12 complete games in his 50 starts in the majors. "He throws everything for strikes," Puckett said. "And that's the key to pitching — get ahead and change speeds. If you do that, you're going to be tough. Once he gets ahead, you're pretty much at his disposal." ■ *In other games, The Associated Press reported:* Rangers 7, Blue Jays 1: First baseman John Olerud made back-to-back fielding errors in the sixth inning, leading to four unearned runs as Texas beat visiting Toronto.



The Mariners' Bill Haselman had the block but not the ball as Alvaro Espinoza scored the Indians' winning run for a 3-2 victory.

With the bases loaded and the score 1-1, David Hulse hit a grounder that scooted through Olerud's legs to score Dean Palmer, who had doubled, and Ivan Rodriguez, who had singled. Three pitches later, Julio Franco hit a grounder to Olerud's right, with the ball glancing off his glove and scoring Manuel Lee, who had walked with two outs, and Hulse. Olerud, who made a third error in the eighth to tie a club record — Willie Upshaw made three errors at first base in 1986 — had made only one error in 25 previous games. Royals 4, Tigers 3: Harvey Pul-

liam hit a two-run homer in the eighth as visiting Kansas City handed Detroit's David Wells his first loss of the season. Wells allowed four runs on only five hits in eight innings. White Sox 3, Brewers 1: Robin Ventura homered in the ninth, after Steve Sax made a run-saving catch in the eighth, as Chicago won in Milwaukee. Red Sox 3, Athletics 1: Ivan Calderon, playing because Andre Dawson was scheduled for knee surgery Thursday, drove in two runs with a single and a triple to help Boston beat visiting Oakland. The hit gave Calderon four in five at-bats after he managed just three hits in his previous 24.

Dawson had arthroscopic surgery for torn cartilage in his right knee. The outfielder-designated hitter now has had five operations on that knee, and three on the other, in his 17 major-league seasons. He hoped to be playing again within a month. Angels 6, Yankees 2: Gary Disarcina's three-run homer in Yankee Stadium ended California's five-game losing streak.

John Farrell, who missed all of the last two seasons because of elbow surgery, held the Yankees scoreless on three hits until Kevin Maas hit his third homer and second in two nights, a solo shot in the seventh. Indians 3, Mariners 2: Glenallen Hill's single brought home the winning run in the sixth when pinch-runner Alvaro Espinoza scored from second base as Seattle catcher Bill Haselman dropped the throw from center fielder Ken Griffey.

## Pirates Come Back To Beat Braves, 4-1

*The Associated Press*  
One nice thing about the youthful Pittsburgh Pirates is that they don't know when they are supposed to lose. Which is fine with pitcher Bob Walk. "That was a good lesson to a young team like ours, not to get too down early in a game," Walk said Wednesday night after beating the Atlanta Braves, 4-1 in Pittsburgh. "We could have just hung our heads and said, 'We're not going to get to this guy tonight,' because Maddux was outstanding."

Greg Maddux, the Braves' pitcher, had thrown 14 consecutive shut-out innings against Pittsburgh. But his downfall began with Walk, a .167 hitter, who doubled to start the sixth inning, then scored on Jeff King's two-run double. "He made me look silly on a breaking ball, so when I saw him shake off the catcher, I pretty much figured he would come in with a fastball, and I guessed right," Walk said. "The bad part is I've gotten my one extra-base hit of the year out of my system already." Maddux was more upset by King's hit. "I had two outs, I was one pitch away from getting out of the inning," Maddux said. "That's what irritates me. When the game's on the line, you have to get those outs. There's no rule that says you can't win 1-0." Maddux, the 1992 Cy Young Award winner for the Chicago Cubs, allowed two runs on six hits in seven innings, walked one and struck out eight. King, who set out the Pirates' 3-2 loss to the Braves on Tuesday with the flu, was 3 for 4 with an RBI single in the eighth. He has two homers, a double and seven RBIs in his last two starts. Walk was nearly as effective as

he was in beating the Braves, 7-1, in Game 5 of last autumn's National League playoffs. He allowed seven hits in seven innings, but got help from three double plays and a disputed pickoff of David Justice at first base that may have prevented a big fourth inning for Atlanta. With the Braves leading, 1-0, Justice debated trying to stretch a liner into right field into a double before returning to first. He barely beat Orlando Merced's throw, but was called out by umpire Gary

### NL ROUNDUP

Darling when first baseman Kevin Young tagged him as he momentarily lifted a foot off the base. Giants 11, Phillies 2: Barry Bonds went 4 for 4, raising his batting average to .432, as San Francisco beat Philadelphia in the game between division leaders at San Francisco. Royce Clayton added a three-run triple and drove in a career-high five runs for the Giants. San Francisco had 15 hits against Danny Jackson and four other pitchers. Bonds drove in a run and doubled twice. Cubs 3, Rockies 2: Steve Buechele homered and Ryan Sandberg hit two sacrifice flies to make up for his first throwing error in nearly three years, as Chicago beat visiting Colorado. Buechele homered in the fourth to snap a 1-1 tie. It extended his hitting streak to 13 games, the longest in the league this season. Sandberg's throwing error in the third was his first since July 4, 1990, a span of 393 games and 1,298 chances. Reds 6, Marlins 2: Tom Browning continued his comeback from knee surgery, allowing only six hits in six innings in Miami. Reggie Sanders and Bobby Kelly hit solo homers for Cincinnati, which scored four runs in the fourth with the help of Ryan Bowen's wildness. Bowen struck out six in the first 3 1/2 innings. But in the fourth, Barry Larkin walked, took third on Kevin Mitchell's single and scored on a single by Chris Sabo for a 1-0 lead. Mitchell scored on Randy Milligan's single and Sabo on a wild pitch. After two more walks loaded the bases, Browning drove in a run with a ground out. Expos 6, Padres 5: Larry Walker's second RBI double of the game scored Marquis Grissom in the bottom of the ninth in Montreal. Astros 6, Cardinals 3: Craig Biggio continued his torrid hitting for Houston, going 4 for 4 with a homer in St. Louis. Biggio has a six-game hitting streak in which he has batted .619 (13 for 21). He's hit in 13 of 14 games, averaging .423 (22 for 52) over that span, with this four-hit game tying a career high he has reached four times. Biggio's homer tied the game 1-1 in the third. Ken Caminiti also homered for the Astros. Dodgers 6, Mets 5: Tim Lincecum drove in a season-high four runs in Los Angeles, two with a two-out bases-loaded single in the eighth, that handed New York its ninth loss in 10 games. The Mets were 1-6 on a West Coast road trip.

## Jackson's Second Career: Just Plain Bo, but a Legend Still

By Thomas Boswell  
*Washington Post Staffer*  
**BALTIMORE** — No athlete ever has been such a wonderful shell of himself as Bo Jackson. When you play major league baseball one year after getting an artificial hip, you don't have to resemble your old, legendary self very much to discover that you have suddenly become a new and equally legendary self. Of course, it doesn't hurt that legend if you hit a home run in your first at-bat back in the major leagues. But then that's Bo. He lives to amaze. "I never doubted that the work was worth it," he said of his rehabilitation. "And I never doubted myself. Where there's a will there's a way." Someday, it will take a lot of words to explain how a man with a .249 batting average in the major leagues and less than 2,600 yards rushing in the National Football League could have been the most famous athlete in America for several years. But what Jackson is doing now will never require much explanation. No matter what medical marvels become commonplace in the next century, people will always grasp the willpower, self-confidence and audacity needed to play in the big leagues with a prosthesis. It's one thing to hit or throw a ball a little farther than other people can. It's another thing entirely to do something much of the medical community says is impossible. Of all athletes in his generation, perhaps Jackson had the ideal background for doing the nearly unthinkable. He'd had a lot of practice. Once, he caught a fly ball on a dead run in Memorial Stadium and sprinted halfway up the left field wall. He kept going, vertically, until he was hori-

zontal. Then, without so much as a nod to gravity, he cruised back down the wall. "Does it surprise me that he's come back?" said the Baltimore Orioles' manager, Johnny Oates. "Him, no. Nothing he does surprises me, not since I saw him run up the wall. "That can't be done. I know because I went out and tried it a few days later. That was embarrassing." Jackson never gave much thought to such deeds. He just did them. If he got mad after a strikeout and felt like snapping his bat, he put the miserable twig over his helmet and cracked it in half. People gasped. Yet, at such times, Bo always acted as if he hadn't done anything special. When he hit a long

All this came on the heels of two years of nagging from doctors and pundits telling Jackson he'd be wise to give up his arduous athletic life and accept his fate. Vascular necrosis and a hip prosthesis means The End. Jackson, however, is a spectacularly stubborn Alabama. He hates to be told anything. All the anger that he felt at his freak NFL injury-gone-wrong was funneled into his rehabilitation. "It might be amazing to some people but not to me," he said. "I don't sit here thinking about it." That form of bravado is only half of Jackson's story. The other half is, well, it's a bravado, too. Ask Jackson how hard he worked to get back and

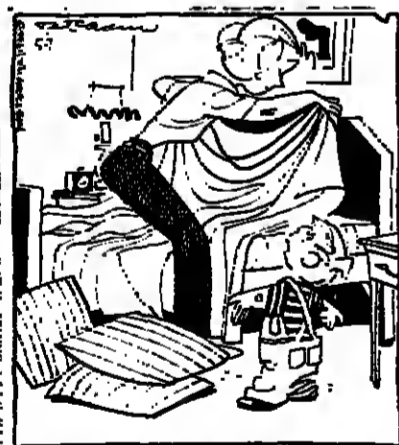
about 250 times this season. If there's an ugly episode down the road — and nobody denies there could be — Jackson says the game is worth it. Perhaps that is the part of Bo that few knew. Beyond the awards, the records, the millions and the worldwide commercials, Bo just loved to play games. Some are mystified that Jackson can accept his new stature so easily. Which is to say, not very much stature at all. Since his dramatic first at-bat homer, he's gotten 10 hits in 38 at-bats. For now, his role is not likely to expand beyond platooning and pinch-hitting duty. "I've reached the goal I set," said the superstar who now is ecstatic to be one step up from a scrub. "It's kind of fun this way. Let somebody else be in the limelight for a while." That way, Bo can do what he probably loved best all along. Just play.

**'It might be amazing to some people but not to me. I don't sit here thinking about it.'**  
Bo Jackson, about his return to baseball

## Clough Back In, Maradona Out

*Compiled by Our Staff From Dispatches*  
**LONDON** — Brian Clough, manager of the soccer team Nottingham Forest, threw his retirement plans into chaos Thursday when he refused to stand down until Chris Woonton, the club director who campaigned against him, is removed from the board. "Either he goes or I stay," Clough told The Sun newspaper. "If he doesn't go I'm not retiring. I'm going to see him out." Woonton, who made a series of allegations against Clough in a Sunday newspaper, was asked to resign from the board at a meeting Tuesday with his fellow directors. He refused, and was suspended from executive duties, but he can be removed from the board only at an extraordinary meeting of shareholders. "This is not a threat, it's a promise and I'll keep it," said Clough, who was to retire at the end of the season, when Forest will be relegated from the Premier League. Diego Maradona, less than eight months after creating a major hullabaloo on his return to professional soccer, has said that it's all too much for him. "I am leaving Sevilla," the Argentine star told Spain's Radio Cope in an early morning program Thursday. "I'm not up to all those training sessions that a big club like Sevilla requires." He has not played for three weeks because of a nagging back problem. (Reuters, AP)

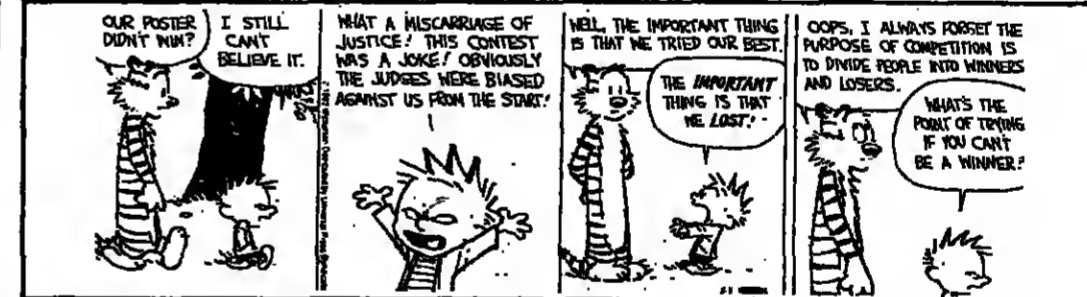
### DENNIS THE MENACE



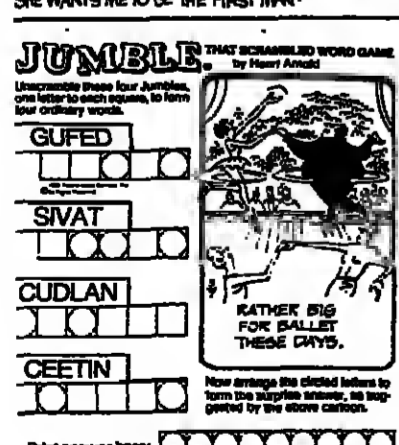
### PEANUTS



### CALVIN AND HOBBES



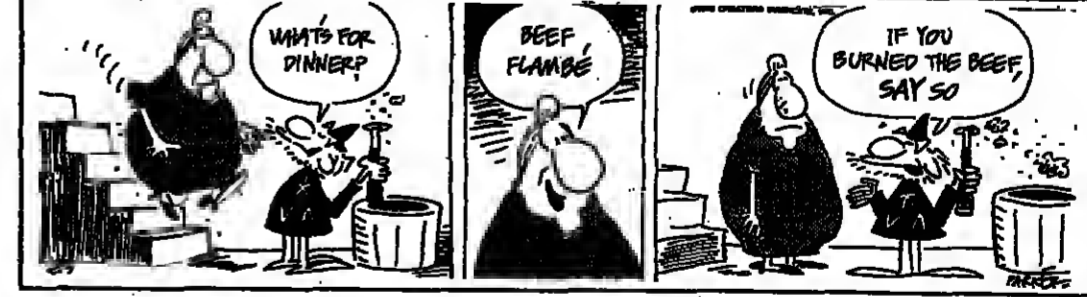
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SPORTS BASKETBALL Celtics' Season and McHale's Career Ended by Bitter Defeat

By Malcolm Moran

New York Times Service CHARLOTTE—The embattled Boston Celtics, ready to rebound from the sudden and potentially career-ending heart problems of Reggie Lewis, had their season ended with a bitter defeat when Alonzo Mourning's imp shot with 0.4 seconds to play...

NBA PLAYOFFS

First playoff series victory in franchise history, three games to one. Mourning's jumper, after a quick rebound pass from Dell Curry...

reach of Celtic forward Xavier McDaniel. Mourning said he did not think the shot would go in when it left his hand. "But once I saw it go through the hoop, I knew," he said.

Mourning's Last-Second Shot Puts Hornets in 2d Round

The Celtics complained that there had been goaltending, or that Brown had fouled. Television replays showed they probably were right — Kendall Gill appeared to touch the ball — but the game was over.

scored 10 straight points to take its first lead of the game with 42.7 seconds left in the fourth quarter. It came after Sherman Douglas stole the ball from Larry Johnson and made the lay-up.

Mourning's shot then suddenly became the most electric moment in the five-year history of the franchise. The Celtics' desperate effort to overcome the loss of Lewis and return the series to a climactic game at Boston Garden was undone by their own mistakes.

Larry Bird, announced his retirement prior to this season. "People always ask me what it felt like to play second fiddle to Larry Bird," McHale said. "I say it's still a pretty mean second fiddle, because he was the best."

SIDELINES

Becker, Edberg Beaten in Hamburg

HAMBURG (AP) — Boris Becker's clay-court revival came to an abrupt end Thursday when he and top-seeded Stefan Edberg were upset in the German Open.

Joseph Stops 57 Shots as Blues Tie

The Associated Press If the adjectives are falling short of describing Curtis Joseph's goaltending, try a number instead: 118. That's how many shots the St. Louis Blues' masked marvel has stopped in the first two games of the NHL's Norris Division final.

World Cup Ticket Quota Oversold

SANTA MONICA, California (LAT) — With the first phase of World Cup ticket sales over, officials said they had been overwhelmed by the response: Although 450,000 first- and second-round tickets were set aside for sale to soccer insiders, about 650,000 were sold.

STANLEY CUP

an incredible .967 save percentage. Jeff Brown ended the Blues-Maple Leafs 4-hour, 20-minute game at the stroke of midnight with a rebound goal. But he never would have gotten the chance without Joseph's outstanding play.

For the Record

James Robinson, the 6-2 junior guard who was Alabama's leading scorer last season, changed his mind about staying in school another season and announced he will enter the NBA draft a year early. (AP)



Alonzo Mourning bounced Sherman Douglas before bumping the Celtics out of the playoffs.

4 Valuable Players, Just 1 MVP Award

By William C. Rhoden

NEW YORK — Later this month, the National Basketball Association will announce the recipient of its Most Valuable Player award, the winner having been selected by a vote of writers and broadcasters at the end of the regular season.

According to some who voted, this year's choice may have been the toughest since 1980, when the MVP selection was taken from the players. One of four outstanding players will win the award: Charles Barkley of the Phoenix Suns, Patrick Ewing of the New York Knicks, Michael Jordan of the Chicago Bulls or Hakeem Olajuwon of the Houston Rockets.

There were compelling arguments for each player: Jordan won his seventh scoring championship; Barkley transformed the Suns, who finished with the league's best regular-season record; Olajuwon carried the Rockets and Ewing is the Knicks' foundation.

In one sense, an MVP award in a team sport is a contradiction because no player is an island; someone has to pass the ball, someone has to set picks — all the players must share in the dirty work. But at the same time, it does make sense to single out a person who lifts a team to new levels, who gives a franchise a new vision.

Consider Barkley, who sparked an instant transformation of the Suns, in one of the most dramatic turnarounds in recent seasons. Phoenix traded three players to Philadelphia for Barkley between seasons in an effort to change its anemic image. With Barkley, the Suns finished first in the Western Conference with a 62-20 mark. And perhaps more significant, the Suns, virtually overnight, became known as tough guys.

While Jordan, Ewing and Olajuwon have grown up with their teams, Barkley joined the Suns after eight stormy seasons in Philadelphia, and immediately changed the team's personality.

The biological clock is ticking for all four candidates, all of whom are 30. But the clock may be ticking fastest for Barkley, undersized for the type of tenacious rebounding and fierce inside play that distinguishes his game.

But now, although it's not relevant to the MVP vote, the Suns, down by 2 games to 1 in a series with the Los Angeles Lakers, appear to be fading in the playoffs. Maybe the MVP really should be Jordan.

INDEED, IT'S DIFFICULT to vote against Michael Jordan in anything. In the evolutionary chain of pro basketball players, Jordan is the greatest. He carried championship-starved Chicago to the last two championships. But Jordan's greatness may have been a liability in this season's MVP voting. Merely doing the spectacular is no longer sufficient.

If the NBA's MVP is a person who pulls a team to unprecedented heights, Jordan's challenge was more than that of the others this season, and he didn't really succeed: The Bulls finished second in New York in the Eastern Conference standing. Barkley's one-season transformation was more dramatic. For Jordan, the proof of 1992-93 is still to come: can he shoot Chicago to a third consecutive title? And the MVP voting is completed.

Or the MVP could be Olajuwon. If Barkley's transformation of Phoenix was dramatic, Olajuwon's personal one-season comeback was a tribute to professionalism.

At this time last year, the Rockets were spectators and Olajuwon, who had become locked in a nasty controversy with the Houston management over his contract, was wondering where he'd be playing this season. There had been a point when team and player feuded over an injury; Houston said the injury wasn't serious and ordered Hakeem to play; Olajuwon refused and was suspended.

But this season, he stormed back to become the NBA's most dominant player. Look up and down the Rockets' roster: there's no reason, outside of Olajuwon, for Houston to have won its division.

Or perhaps this will be the first year since 1970 that a player for the Knicks receives the award. Willis Reed was the last New York player to win it, in 1970.

Ewing has been a consistent prime-time player at each end of the court for the Knicks this season. He has shown versatile offensive moves and a deft shooting touch and has provided a persistent, menacing presence.

Perhaps the best rationale for Ewing's receiving the MVP award — and here's one symbolic vote for him — is that he has accomplished all of this in New York. Unlike the other stars, Ewing works in a city of more than 7 million people where a star athlete's every move is scrutinized by a swarming, competitive and fiercely inquisitive media.

As recently as last season, Ewing was criticized for shooting too many outside jumpers, for not being enough of a post-up guy. Yet he alone can make New York a winner, and the fans have come to know it. He has pulled the Knicks to the foot of the mountain; now he's carrying them toward the mountain-top.

The MVP award can't be split four ways, although of the four players, Ewing seems to covet the award the least. "You know," he said after his team's first victory against Indiana, "I've done everything in basketball. I've won championships in high school. I've won championships in college. I have an Olympic gold medal. The one thing I don't have that I want is an NBA championship."

SCOREBOARD

Table with baseball scores for Major League Standings (American League East, National League East, National League West) and Wednesday's Line Scores.

HOCKEY

Table with hockey scores for Stanley Cup Playoffs (Division Finals, National League, American League) and NHL Standings.

TRANSACTIONS

Boston—Pul Andre Dawson, outfielder, on 15-day disabled list. Recalled Jeff Johnson, infielder, from Pawtucket, Ill.

GYCLING

Tour of Spain Results Thursday from the 11th stage, a 221.2-kilometer (137.4-mile) stretch from Llodio to Alto de Anso.

SOCCER

World Cup Qualifiers Asian zone, First round Group F Thailand 4, Brunei 1.

BASKETBALL

NBA Playoffs First Round (Best-of-7) Boston 23, 28, 31, 33-104 Charlotte 17, 21, 25, 27-81.

CRICKET

Third Test West Indies vs. Pakistan, Fourth Day Wednesday, in St. John's, Antigua.

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OBSERVER

Eerie Emissions

By Russell Baker
NEW YORK — Does anybody else have leaking TV cable? Does anybody even know that leaking TV cable is a terrible menace? That's right, menace. Airplanes could crash, possibly into your very own house, because your TV cable is leaking.

there, and it occurred to me that the fan might be sucking electronic dots right off the screen and pumping them skyward where they were endangering mighty jetliners by canceling their automatic flight attendants during the dinner service.

Woody v. Mia: The Shrinking of Everyone

By Paula Span

NEW YORK — A few days ago, during a particularly deadly stretch of the Woody v. Mia custody bout, fidgety reporters began casting the movie. The lineup: Rick Moranis as Woody Allen, with Elliott Gould as his lawyer, Elkan Abramowitz. Blythe Danner as Mia Farrow, with Olympia Dukakis playing her lawyer, Eleanor Alter. Lea Salonga (Broadway's Miss Saigon) as Soon-Yi Farrow. Ron Silver in a return appearance as Alan Dershowitz, whose shrugs he already mastered for "Reversal of Fortune." There are jury cameos for Martin Landau, Patry Duke and Jessica Hahn, and the guy from CNN came up with the inspired choice of Chlois Leachman for the four child psychologists Susan Coates.



Members of the cast: Mia, Woody, Soon-Yi, and lawyer Dershowitz, who testified in the case. Who will play them in the movies to come?

Notice the inclination to employ worthy actors who aren't big box office, a generous impulse strengthened by the experience of aiming through the trial. By now, it would be nice to think that somebody will benefit from all this misery, even if it's only Gene Wilder (as Justice Elliott Wilk, though there's also some sentiment for Richard Dreyfuss).

in the carefully neutral language of their profession, using terms like "impaired judgment." Maybe none of this will result in fewer patients seeking therapy. But PR-wise, the trial was, well, depressing. "I cringe," said Charlotte Spiegelman, a family therapist at the New Jersey Center for Family Studies. "One therapy-lover it will have no effect at all. Non-therapy-lovers will be turned off because the shrinks look like a bunch of vultures."

and it's not clear that he accepts the contention that Mia encouraged Dylan to manufacture a false allegation of sexual abuse (the core of Woody's argument that Mia's unfit). It's reasonable to crawl out onto this particular limb, therefore, and postulate that the big question mark is Woody's visitation rights.

He was already on his knees with leakage detector aimed at the back of our parlor TV set. Why had I let him into the house? Didn't I realize he might be casing the place as a potential burglar site?

Couldn't the cable company do something about it? I was, after all, their cable. Nothing could be done. But it had been in use for seven years, so why hadn't the leakage been detected earlier? He said the trouble might be of recent origin. "Maybe lightning," he said. "You mean I'll never be able to pick up anything but rockability for the rest of my life?"

This was supposed to be an article about the winners and losers in this long, nasty but perversely mesmerizing conflict over the fate of three children. Whoever gets custody of Dylan, Satchel and Moses, there will be various kinds of debits and credits; that was the working hypothesis. But the fact is, it's difficult to come up with any victors at all.

the list of losers, by contrast, is extensive. Put shrinks right up near the top. The fact that a family can employ this many \$150-an-hour therapists and still be this screwed up could give the whole mental health profession a public shiner. Allen's been in therapy for 33 years, New York Newsday reported, 21 of them with the psychoanalyst Kathryn Prescott.

So by now, visitation may not amount to much of a victory. "It's taken him a year to see his daughter," says Alter. "He's created a terrible rift with this case. I see it as a disaster for everyone."

With a ruthless worthy of his screen character "Dirty Harry," Clint Eastwood cut what would have been his mother's film debut out of his Oscar-winning hit "Unforgiven." Said Ruth Wood, who is in her 80s: "I ended up on the cutting room floor." She recounted the story as she accepted a certificate of appreciation for her son from the city council of Carmel, California, where both live.

PEOPLE

One 'Indecent Proposal' To Another — 'Lolita'

After "Indecent Proposal," the director Adrian Lyne has decided to take on "Lolita" and be's on the lookout for a nubile nymphet for the title role. But, he says, the role calls for careful casting. "The problem is at the end of the movie, she's 17 and pregnant, so you can't have somebody so ludicrously young she doesn't work pregnant."

And while we're on the subject of indecency, Madonna has agreed to dress herself in order to play live in China later this year, the Beijing Ta Kung Pao newspaper says. China's Ministry of Culture invited the singer to perform but on condition that her show shows no "indecent exposure." Madonna's book "Sex" raised eyebrows last year for its nudity.

The actor Jaye Davidson, who was at the center of the mystery twist in the film "The Crying Game," has put an end to the secret himself. Davidson has posed for a Gap ad in two U.S. publications in a sleeveless denim shirt that is left unbuttoned to the waist. The ad copy identifies the cross-dresser only as a "performer."

INTERNATIONAL CLASSIFIED

Appears on Page 4

WEATHER

Weather forecast section including maps for Europe, North America, Asia, and Latin America, with temperature and precipitation data for various cities.

CROSSWORD

Crossword puzzle section with clues for Across and Down, and a solution to the puzzle from May 6.

BOOKS

STIFFED: A True Story of MCA, the Music Business, and the Mafia. By William Kneudelseder. 480 pages. \$23. HarperCollins. Reviewed by Richard Harrington. MUCH as Watergate began as the investigation of a simple break-in, a simple income tax investigation in California in 1983 fueled a series of exposés that rocked the record business and MCA Records in particular.

with connections to New York's Gambino crime family, arrived at MCA soon after Azzoff. Pissello had managed to slip through cracks in the legal system — he'd never even been arrested — and he somehow slipped through the cracks at MCA. Though he never had a title or a salary and apparently knew nothing about the record business, Pissello soon ended up in control of MCA cutouts. Cutouts (so called because a corner may be cut off a cover) are the record industry's remainders and overstock; deleted from a label's catalog, they are sold to dealers for anywhere from 10 cents to a dollar. When Azzoff took over, there were 10 million cutouts in MCA's warehouses alone. Under the previous regime, cutouts had been sold through sealed bids to the highest per-unit bidder. Pissello had different plans.

Large advertisement for AT&T USADirect Service, featuring a clock face and the slogan 'Now good news can travel even faster.' Includes a table of international access numbers and the AT&T logo.